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August 25, 2011

The Honorable Timothy F. Geithner  
Secretary of the Treasury  
Washington, DC 20220

The Honorable Shaun Donovan  
Secretary of Housing and Urban Development  
Washington, DC 20410

Mr. Gene B. Sperling  
Director of the National Economic Council and  
Assistant to the President for Economic Policy  
Washington, DC 20500

Mr. Edward J. DeMarco  
Acting Director  
Federal Housing Finance Agency  
Washington, DC 20552

Dear Secretary Geithner, Secretary Donovan, Mr. Sperling, and Mr. DeMarco:

I am writing on behalf of the 1.1 million members of the National Association of REALTORS® (NAR) to urge your support for the program outlined in S. 170, "Helping Responsible Homeowners Act" (Boxer, D-CA, Isakson, R-GA). The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

The Home Affordable Refinance Program (HARP) already permits a borrower with a loan owned or guaranteed by Fannie Mae or Freddie Mac (the government sponsored enterprises, or GSEs) to refinance the mortgage with a loan-to-value ratio (LTV) as high as 125%. While this is a step in the right direction, many borrowers are unable to qualify because their LTVs are even higher or they cannot afford the fees imposed for a HARP refinancing. These families are struggling to meet their obligations and avoid delinquency, but are frustrated that in an era of historically low interest rates, they are unable to take advantage of these low rates and reduce their monthly payments to an affordable level.

S. 170 would help families refinance their GSE mortgages, if they are not delinquent, by (i) removing LTV limits, (ii) requiring an interest rate no more than 40 basis points higher than the prime rate, (iii) waiving prepayment penalties, (iv) limiting the term to 40 years; and (v) prohibiting any additional fees beyond



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the standard guarantee fee for refinancing a mortgage. On July 12, 2011, I participated in a press conference call held by Senator Barbara Boxer and endorsed S. 170 on behalf of REALTORS®. A similar, but not identical, bill has been introduced in the House of Representatives by Representative Dennis Cardoza (D-CA)—H.R. 363, the “Housing Opportunity and Mortgage Equity Act of 2011.”

Recent media reports indicate the Administration is considering a much broader refinancing program, and we believe such a decision would be in the public interest. Of the 55 million homes with mortgages, about 10 million have LTVs greater than the home is worth. The Administration could adopt a program based on the principles of these bills to help more borrowers with loans larger than the current value of their homes, regardless of the type of mortgage they now have. NAR urges you to do so to address one of the most significant problems in the housing market. There is no one answer, but along with the many other ideas we have urged you to consider, including more loan modifications and, where it is not possible to keep the family in their home, more short sales, giving millions of families greater access to refinancing at low rates can make a significant difference. This change could save families from foreclosure, give them more disposable income which will stimulate the economic recovery, and, therefore, actually reduce the national debt.

Thank you for your time and consideration of this recommendation. If you would like to further discuss this issue, please contact me or Jeff Lischer, our Managing Director for Regulatory Policy, at 202.383.1117 or [jlischer@realtors.org](mailto:jlischer@realtors.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Phipps", with a stylized, flowing script.

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