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December 28, 2012

Ms. Carol Galante

Acting Assistant Secretary for Housing - Federal Housing Commissioner
US Department of Housing and Urban Development
Washington, DC 20410

Title: Federal Housing Administration: Prohibited Sources of Minimum Cash Investment Under the National Housing Act—Interpretive Rule

Docket No: FR-5679-N-01

Dear Ms. Galante:

I am writing on behalf of the 1.1 million members of the National Association of REALTORS® (NAR) to provide comments on Federal Register Notice Docket Number FR-5679-N-01, Federal Housing Administration (FHA): Prohibited Sources of Minimum Cash Investment Under the National Housing Act. NAR appreciates the clarification that funds provided directly by Federal, State, or local governments, or their agencies and instrumentalities in connection with their respective homeownership programs, can be used for the required 3.5% cash investment for single family mortgages insured by FHA.

The National Association of REALTORS® is America's largest trade association, including its eight affiliated Institutes, Societies and Councils, five of which focus on commercial transactions. 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 National Association of REALTORS® supports government downpayment assistance programs. The ability to afford the downpayment and settlement costs associated with buying a home remains the most challenging hurdle for many homebuyers. These programs do a good job of providing downpayment assistance, counseling and other services to homebuyers within the scope of current HUD regulations. FHA's interpretive rule will reduce uncertainty and ensure homebuyers have access to these critical programs. NAR would appreciate similar clarification with regards to downpayment assistance for Employer Assisted Housing Programs (EAH), which can also offer valuable resources for homebuyers.

Thank you for your time and consideration. If I may be of any assistance to you, please do not hesitate to contact me or our Associate Regulatory Policy Representative, Sarah Young, at (202) 383-1233 or scyoun@realtors.org.

Sincerely,

Gary Thomas
2013 President, National Association of REALTORS®



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