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September 05, 2017

The Honorable Dr. Benjamin Carson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W.,
Washington, DC 20410

RE: Mortgagee Letter 2017-13 “Extension of Temporary Approval Provisions for the Federal Housing Administration (FHA) Condominium Project Approval Process”

Dear Secretary Carson:

On behalf of the over 1.2 million members of the National Association of REALTORS® (NAR), I thank you for the opportunity to provide feedback on Mortgagee Letter 2017-13 “Extension of Temporary Approval Provisions for the Federal Housing Administration (FHA) Condominium Project Approval Process.” Condominiums are an important part of the housing market, providing an affordable housing option for many groups including first-time homebuyers, urban residents, and older adults looking to downsize.

The National Association of REALTORS® is America's largest trade association, representing over 1.2 million members, including NAR's institutes, societies, and councils, involved in all aspects of the residential and commercial real estate industries. Membership is composed of residential and commercial REALTORS® who are brokers, salespeople, property managers, appraisers, counselors, and others engaged in the real estate industry. Members belong to one or more of approximately 1,200 local associations/boards and 54 state and territory associations of REALTORS®. REALTORS® are essential to consumers, providing expertise and guidance during the home buying process.

NAR has long advocated for FHA to revise their current condominium regulations, which prevent many strong borrowers from obtaining the home of their choosing. Specifically, NAR urges FHA to revise their owner-occupancy and commercial space percentage requirements to allow for a holistic review of the project in question, rather than setting arbitrary limits and maximums. NAR also urges FHA to streamline the re-certification process for condominium projects and bring back allowances for spot loan approval for projects that are not currently FHA certified. As such, NAR is eagerly anticipating FHA’s Final Rule of Condominium Project Approval through publication of the Condominium Project Approval Section of HUD Handbook 4000.1 mentioned in Mortgagee Letter 2017-13. NAR hopes this final publication will occur quickly and is available to provide any information or analysis that enables FHA to move quickly with the publication of the Final Rule.

Thank you again for the opportunity to provide feedback. If I may be of any assistance to you, please do not hesitate to contact me or our Regulatory Policy Representative, Sehar Siddiqi, at (202) 383-1176 or SSiddiqi@REALTORS.org.

Sincerely,

William E. Brown
2017 President, National Association of REALTORS®



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