



## **i. NAR Testifies Before Congress that the Government Plays Valuable Role in Homeownership**

On Thursday, October 13, 2011, NAR 2011 President-Elect, Moe Veissi, [outlined the Association's recommendations](#) for housing finance reform before the House Financial Services Subcommittee on International Monetary Policy and Trade. During Mr. Veissi's testimony, he indicated that NAR supports H.R. 2413, the "Secondary Market Facility for Residential Mortgages Act of 2011", introduced by Reps. Gary Miller (R-CA) and Carolyn McCarthy (D-NY), because the legislation directly reflects NAR's recommendations. H.R. 2413 is comprehensive legislation that will provide for a continued federal government role in the secondary mortgage market in order to ensure (1) that there is a consistent flow of mortgage capital to all markets in all economic conditions, and (2) the existence of long-term, fixed-rate mortgage products (e.g. the 30-year fixed-rate mortgage).

## **ii. Congress Fails to Act on Loan Limits**

Congress has failed to extend the FHA and GSE mortgage loan limits. On Oct. 1, those limits will decline in 669 counties in 42 states. The new limits will be equal to 115% of local area median home price (from 125%). The high cost cap will fall from \$729,750 to \$625,500. To determine your [new loan limit](#), find your county; if your county is not listed, your limit will not change. NAR will continue to work with Congress to attempt to restore the higher limits as quickly as possible.

## **iii. Congress Extends Flood Insurance until November 18**

On Oct. 4, 2011, Congress extended National Flood Insurance Program (NFIP) authority as part of a broader stopgap government funding measure, the Continuing Appropriations Act (H.R. 2608). This latest extension will run through November 18, 2011. NAR is urging Congress to use the additional time to complete work on a 5-year NFIP re-authorization bill (H.R. 1309) to provide certainty and avoid further disruption to real estate markets.

## **iv. Sense of Urgency at Housing Solutions Meeting**

"We need to keep housing first on the nation's public policy agenda, because housing and homeownership issues affect all Americans, and a housing recovery is necessary for the nation's economic well-being." That was the message delivered by NAR President Ron Phipps during the "New Solutions for America's Housing Crisis" forum, where he joined a panel of experts to discuss solutions for addressing the country's housing and economic challenges. The event was hosted by Economic Policies for the 21st Century and the Progressive Policy Institute on October 4, 2011.

Phipps said that housing is not recovering at the rate it should be and called on legislators and regulators to do no harm. He said that proposed legislation and regulatory rules or changes to homeownership tax benefits need to help America out of today's economic struggles and not further harm consumer confidence or exacerbate problems within the fragile real estate industry.

NAR Chief Economist Lawrence Yun also participated in the forum on a panel, "Homeownership, Tax Policy and Deficits." Yun said it's a misplaced argument to say the mortgage interest deduction is suddenly part of the deficit problem, when it's been part of the federal tax code for nearly 100 years. Yun also emphasized that any changes to

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the MID would greatly hamper the ability of small businesses to create jobs given that housing equity is often a major source of funding.

A video webcast of the event is available for viewing at <http://www.livestream.com/progressivepolicyinstitute>.

#### **v. MID: Witnesses Say No Cuts Now**

On October 6, 2011, the Senate Finance Committee held another in a series of hearings on tax reform, this time focusing on housing incentives. Five witnesses testified from a variety of perspectives, but they were unanimous on one point: Now is not the time to make any changes to the mortgage interest deduction (MID). Witnesses included representatives from the Pulte Corporation (housing construction), the National Association of Home Builders (NAHB), retired Senator John Breaux (D-LA) and two academic economists.

Senator Breaux advocated the approach that had been taken by the 2005 Bush Tax Reform Panel, recommending that the MID be gradually converted from a deduction to a 15% tax credit. Pulte and NAHB delivered the same message that NAR provided in a written statement: housing changes should be retained intact. Both economists believed that the MID should be reduced at some future time, but not presently. All five witnesses emphasized that the market is far too fragile and that any changes to housing incentives, especially MID, would cause greater instability and price declines.

Almost all of the discussion during the Q&A period was about MID. A few references were made to second homes, but the witnesses emphasized that changes to MID for second homes would have serious jobs and revenue impact on second homes communities. NAR and NAHB noted the importance of the \$250,000/\$500,000 exclusion in written comments, but no Senator made any inquiry related to it

#### **vi. NAR Seeks Co-sponsors for RESPA/Home Warranty Bill**

On Wednesday, September 21, 2011, NAR asked Members of Congress to co-sponsor H.R. 2446, The RESPA Home Warranty Clarification Act of 2011. The legislation, sponsored by Representatives Judy Biggert (R-IL) and Lacy Clay (D-MO) would clarify that home warranties are not governed by RESPA unless they are required by lenders to close the transaction. Guidance by the Department of Housing and Urban Development upended nearly two decade of real estate industry practices related to the sale of warranties. With RESPA moving to the Consumer Financial Protection Bureau and little chance further clarification would be forthcoming, NAR and its industry partners are working with Congress to correct existing guidance that is inconsistent with the RESPA statute. This legislation should provide relief for the industry from confusion and lawsuits should it be enacted in a timely fashion.

#### **vii. Tighter Ethics Rules Proposed for U.S. Employees**

On September 13, 2011, the Office of Government Ethics (OGE) published a proposed rule that would modify the ethics rule for Executive Branch employees. The proposal would prohibit all employees of the Executive Branch, not just political appointees, from accepting any gifts from lobbyists or lobbying organizations, regardless of the value. The proposal would narrow the “widely attended gatherings” exception to the gift ban that now allows government employees to accept offers of free attendance at certain events. The rule would prohibit acceptance of an invitation to these gatherings where the gift is offered by a lobbyist or lobbying organization, other than an organization that is tax exempt under section 501(c)(3), an institution of higher education, a media organization, or a nonprofit professional association, scientific organization or learned society. Importantly, the proposal would continue to allow government employees to speak or present information on behalf of the government as part of their official responsibilities (in which case no gift is considered to be involved). NAR will thoroughly analyze the rule and submit comments by the November 13, 2011, deadline.

#### **viii. Global Exposure on Realtor.com®**

Get ready for global exposure. Realtor.com® will soon launch its international site featuring translations in 11 languages, currency and metric conversions aiding the growing number of international and multi-cultural buyers who frequent the site in search of U.S. properties.

Last year, more than \$82 billion in U.S. residential real estate was sold to a foreign buyer or recent U.S. immigrant. The recent Census data highlights the fastest growing ethnic groups in the U.S. are Asian and Hispanic populations, each increased 43 percent since the last census, four times faster than the general population. All minority groups grew in the double-digits, while White Non-Hispanics grew just 1 percent between 2000 and 2010.

It is more important than ever to remind your agents of the importance of being prepared to serve this new global buyer. Seek information on how the Certified International Property Specialist (CIPS) designation can prepare your agents or find out more about the upcoming Realtor.com® International launch at NAR Conference and Expo.

[http://www.realtor.org/global/realtorcom\\_international](http://www.realtor.org/global/realtorcom_international)

#### **ix. A Message from Liberty Mutual: Get a Quote, Make a Difference**

Partnering with Susan G. Komen, Liberty Mutual, a NAR REALTOR Benefits® Program Partner, will contribute \$5 to the fight against breast cancer for every auto, home and renters insurance quote completed. This is a terrific way for you and your agents to support an important cause and possibly find an opportunity to save on insurance. Visit

[www.libertymutual.com/qfh-nar](http://www.libertymutual.com/qfh-nar) or call 1-888-437-2147 for more information.

#### **x. RPR Unveils Valuable Tools for Brokers**

Realtors Property Resource™ (RPR) introduces the Broker Tool Sets—designed to help you and your agents leverage the powerful RPR™ database across your market area. Tools include: Branded reports for consumers; Affiliated Service Promotion; Data Analysis to generate reports across multiple MLSs in one format; and a Chart Service that provides importable graphic charts. Visit <http://blog.narrpr.com/broker/resource/>

## **UPCOMING DATA RELEASES**

**Thursday, October 20**

**September Existing-Home Sales**

**Thursday, October 27**

**Pending Home Sales Index**

**Wednesday, November 9**

**3rd Qtr. Metro Home Prices/  
State Resales**

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