



*An Article Of Interest...*

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## **NAR Urges Passage of 4-Point Housing Stimulus Plan and Return of Congress for Lame-Duck Session**

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WASHINGTON, October 15, 2008

The National Association of Realtors® will offer a four-point legislative plan to reinvigorate the housing market, calling on Congress to act during a lame-duck session. NAR believes the plan will give a boost to the economy and help to calm jittery potential homebuyers.

The plan features such consumer-driven provisions as eliminating the repayment of the first-time homebuyer tax credit and expanding it to all homebuyers, making higher mortgage loan limits permanent, pushing banks to extend credit to Main Street, and prohibiting banks from entering into real estate.

"Housing has always lifted the economy out of downturns, and it is imperative to get the housing market moving forward as quickly as possible," said NAR President Richard F. Gaylord. "It is vital to the economy that Congress take specific actions to boost the confidence of potential homebuyers in the housing market and make it easier for qualified buyers to get safe and affordable mortgage loans. We are asking Congress to act right away."

Gaylord, a broker with RE/MAX Real Estate Specialists in Long Beach, Calif., said NAR, as the leading advocate for homeownership and private property rights, believes it is important for Congress to address the concerns and fears of America's families, much in the way it has addressed Wall Street turbulence. "Housing is and has always been a good, long-term investment and a family's primary step towards accumulating wealth," Gaylord said.

NAR recommends Congress pass new housing stimulus legislation that includes the following priorities:

1. Remove the requirement in the current law that first-time homebuyers repay the \$7,500 tax credit, and expand the tax credit to apply not only to first-time buyers but also to all buyers of a primary residence.
  
2. Revise the FHA, Fannie Mae and Freddie Mac 2008 stimulus loan limit increases to make them permanent. The Economic Stabilization Act, enacted in February, made loan limit increases temporary, and subsequent legislation reduced the loan limits and made them permanent. This has broad implication for homebuyers in high cost areas.
  
3. Urge the government to use a portion of the allotted \$700 billion that was provided to purchase mortgage-backed securities from banks to provide price stabilization for housing. The Treasury department should be required to use the newly enacted Troubled Assets Relief Program to push banks to:
  - Extend credit down to Main Street, making credit more available to consumers and small businesses;
  
  - Expedite the process for short sales;
  
  - Expedite the resolution of banks' real estate owned (REOs) properties.
  
4. Make permanent the prohibition against banks entering real estate brokerage and management, further protecting consumers and the economy.

Gaylord said that NAR will strongly pursue those proposals and is calling on Congress to return to enact housing stimulus legislation in a lame-duck session after the national elections in November.

