

NAR Issue Brief

August Recess Update

Over the next week Congress will be working on a number of legislative issues in Washington, D.C. Congress is expected to adjourn for its traditional “August Recess” on Friday, August 2, 2013. The “August Recess” represents an important opportunity for REALTORS® to directly engage with Members of Congress on our home field. To maximize our home field advantage, Government Affairs is preparing materials for use by all REALTORS® who may meet with a Member of Congress. While FPC’s will be taking the lead in arranging meetings with Members of Congress it is important that all members have access to the same materials. We will distribute, later this week, a set of talking points and a media kit to help with local media outreach. The issues facing REALTORS® affect the fundamental elements of real estate: financing, taxes and property protection, it is critically important that we take our messages to Congress this August.

August Recess Talking Points:

The talking points will focus on 3 vital issues of importance to REALTORS®

- 1. FHA/Fannie and Freddie Reform:** Last week the House Financial Services Committee voted on, by a nearly straight party line, [H.R.2767 the PATH Act \(Protecting American Taxpayers and Homeowners Act of 2013\)](#). The bill would end the housing finance system as we know it by eliminating Fannie and Freddie and drastically reducing the accessibility to FHA backed loans for many qualified homebuyers. While Congressional action on this legislation may not occur until the late Fall, we have to reiterate our **strong opposition** to legislation at every opportunity. In the Senate, [S. 1217, the Housing Finance Reform and Taxpayer Protection Act of 2013](#), known as Corker-Warner GSE Reform, deals only with reform of Freddie and Fannie and contains provision consistent with NAR policy on GSE Reform, most notably an explicit government guarantee of mortgage backed securities issued by the proposed replacement for Fannie and Freddie. A separate Senate FHA reform bill has been introduced by Banking Chairman Tim Johnson (D-SD) and Senator Mike Crapo (R-ID), the committee’s ranking member. Moving forward **NAR anticipates** the need for a **Call for Action** on these issues in the **fall of 2013**.
- 2. Tax Reform:** NAR will be ending the current Call for Action this week when Congress adjourns. Many of you have asked about a direct outreach to Consumers regarding Tax Reform. NAR is currently engaging in a direct email campaign to more than 75 million homeowners asking them to sign a petition to Congress to protect real estate tax provisions in any reform proposal. When we deploy the information will depend on the pace of tax reform in Congress. Again, it is critical for REALTORS® to re-educate members of Congress about our position on tax reform. Moving forward additional **Calls for Action** regarding tax reform **could be required this fall**.
- 3. Flood Insurance:** In response to the concerns of REALTORS® the House of Representatives has passed a proposal for a one-year delay in changes to the National Flood Insurance Program rate structure. A similar delay has passed through the Senate Appropriations Committee. Without adequate and affordable flood insurance for properties in flood plains real estate transactions could be disrupted across the country. The additional pressure from REALTORS® during August recess is essential. Internally, NAR President Gary Thomas has appointed a **21-member Presidential Advisory Group, chaired by Donna Smith**, 2013 Land Use Property Rights and Environment Committee Chair, to further address NFIP issues.

QRM/QM Update: Occasionally, good news emerges from Washington, D.C. and this is one of those times. Although not officially announced by the Federal Regulators, NAR has learned that the agencies will soon propose a **QRM rule that contains no down-payment requirements.** This would mark a **significant victory for REALTORS®** and the dozens of other housing-industry participants and consumer groups who joined an NAR backed coalition of opponents to the rule, commonly known as the Qualified Residential Mortgage rule.