CALIFORNIA ASSOCIATION OF REALTORS®

February 6, 2012

To: California Congressional Delegation

2012 OFFICERS

LeFrancis Arnold
President

Don Faught
President-Elect

Chris Kutzkey
Treasurer

Joel Singer
Chief Executive Officer/ State Secretary

RE: Federal Housing Finance Agency and Federal Housing Administration Real Estate Owned (REO) Initiative

Dear Representative:

On behalf of the more than 160,000 members of the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.), I am writing to share with you C.A.R.'s comments to the proposed Request for Information (RFI) on the disposition of Enterprise/FHA REO assets that was released on August 10, 2011, by the Federal Housing Finance Agency (FHFA), the Department of the Treasury (Treasury), and the Department of Housing and Urban Development (HUD). Now that the regulatory agencies are looking to implement a pilot bulk sale, C.A.R. feels it necessary to share our concerns with you regarding this program. C.A.R. believes if this program is implemented improperly, it will have a negative impact throughout California and set our housing market back.

While C.A.R. understands the benefits this program may have on some cities across the country, we fear the regulators have not appropriately analyzed proposed pilot cities. Los Angeles and the Southern California region have been named as a potential pilot program location. However, these areas are experiencing an inventory shortage and many homes for sale, especially distressed properties, are receiving multiple bids. Removing REO inventory through a bulk sale and rental program will hurt these communities. In addition, the taxpayer will lose because these REOs will be sold for less money in bulk sale than if sold as individual units.

While the nation continues to face its most difficult housing crisis since the Great Depression, C.A.R. hopes FHFA and HUD will withhold or delay release of their REO bulk sale initiative in California's housing market. C.A.R. looks forward to working with the FHFA, HUD and Congress in providing any information we may to ensure the quick recovery of the housing market.

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Executive Offices 525 South Virgil Ave. Los Angeles, CA 90020 Tel (213) 739-8200 Fax (213) 480-7724 www.car.org

If you would like to discuss these or any other issues related to the REO initiative, please do not hesitate to contact Matt Roberts, C.A.R. Federal Government Affairs Manager, at (213) 739-8284 or by email at matthewr@car.org.

Sincerely,

LeFrancis Arnold,
2012 President
California Association of REALTORS®