



## CALIFORNIA ASSOCIATION OF REALTORS®

January 29, 2009

The United States Senate  
Senate Office Building  
Washington, DC 20510

Re: Senate Economic Stimulus Package, The Senate must include a provision to extend the 2008 Fannie Mae, Freddie Mac, and FHA loan limits, and modify the first-time homebuyer tax credit.

2009 OFFICERS

JAMES LIPTAK  
*President*

STEVE L. GODDARD  
*President-Elect*

BETH L. PEERCE  
*Treasurer*

JOEL SINGER  
*Executive Vice President/  
State Secretary*

Dear Senator:

As President of the California Association of REALTORS® (C.A.R.), which represents over 184,000 members, I am asking for your support to amend the Senate Economic Stimulus Package (Stimulus), to reinstate the 2008 Fannie Mae, Freddie Mac and FHA loan limits across the country. Additionally, C.A.R. believes the first-time homebuyer tax credit must be increased, the availability expanded and the sunset date extended for it to fulfill its role of stimulating demand.

As the country continues to struggle with a recession that has brought about an unprecedented freeze of the capital markets, mortgage programs such as Fannie Mae, Freddie Mac, and FHA—as well as other government mortgage programs that tie their loan limits to these entities—are the only stable and affordable supply of capital anywhere in the country. This is simply the wrong time to be reducing these programs' loan limits and further restricting the supply of capital. This will force seller to lower prices, placing additional downward pressure on the overall housing market. The House has taken steps to remedy this with language in their Economic Stimulus Package passed on January 28. We ask for your support to amend the Senate's Stimulus to include similar language that would extend the 2008 loan limits.

Additionally, C.A.R. believes changes must be made to the first-time homebuyer tax credit program so it may accomplish its goal of stimulating demand in the housing market. Our members have found the payback requirement to be a deterrent and is preventing many homebuyers from viewing this as an incentive. In order to make this tax credit the stimulus Congress intended, Congress should eliminate the payback requirement, extend the program at least through the end of 2009, allow homebuyers to utilize the credit for closing costs and downpayment, and make it available for all homebuyers within the income limitation.

We appreciate your consideration of our issues and look forward to working with you and your staff as this important piece of legislation moves forward. If you would like to discuss these recommendations in more detail, please contact our Federal Government Affairs Manager, Matt Roberts, at 213-739-8284, or by email at [matthewr@car.org](mailto:matthewr@car.org).

Sincerely,

James Liptak,  
President, California Association of REALTORS®



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