C.A.R. Federal Priorities Passed in 110th Session

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Through the phenomenal grassroots efforts of REALTORS®, in California and across the country, C.A.R. and NAR were able to work with Congress to pass numerous REALTOR® priorities during the 110th Session of Congress.

I. Permanent Increase in Conforming Loan Limits for High Cost Areas
Starting on January 1, 2009, the new loan limits for the GSE's will be the greater of either $417,000 or 115 percent of an area's median home price, capped at 150 percent of the national conforming loan limit. (This would currently be $625,500; $417,000 X 1.5) This formula was used so that the loan limit in high cost areas will increase with the national limit.

II. Permanent Increase in FHA Loan Limit for High Cost Areas
Starting on January 1, 2009 the new FHA loan limit will be the greater of $271,050 or 115 percent of an area's median home price, capped at 150 percent of the national conforming loan limit. (Currently $625,500)

III. FHA Reform
When Congress passed FHA reforms, included in it was a provision to streamline the process for all FHA condo applications. This will be done by treating all condos as single family residences. Under the old FHA rules, new condos and condo conversions were considered multi-family residences and required a difference and lengthy paper work process.

IV. Mortgage Debt Forgiveness
When lenders would forgive a portion of a mortgage, the amount forgiven was taxed by the government as though it were income. Congress passed legislation that will exclude mortgage debt forgiveness, on a primary residence up to the original purchase price, from an individual's income tax until 2013.

V. Qualified Veteran Mortgage Bonds
Congress has passed legislation that will allow veterans to apply for low-cost low-interest rate home loans funded by QVMB's inside of 25 –years of their last date of active duty. Prior to this, veterans had to serve prior to 1977 to qualify for the program.

VI. VA Loan Limit Increase
Congress has raised the VA home loan guarantee program from $417,000 to 125 percent of an area's median home price capped at $729,750 through 2008. C.A.R. and NAR are working to extend the expiration date of this loan limit.

VII. FIRPTA
Congress has passed legislation that will allow home sellers the option of providing the non-foreign affidavit (which contains their social security number) to a qualified closing entity instead of the home buyer.

VIII. First Time Home Buyer Tax Credit
Congress passed legislation that will give qualified first-time homebuyers up to a $7,500 tax credit.

IX. Economic Stimulus Package

Following the subprime and credit collapse of august 2007, Congress passed legislation that increased loan limits for the GSE and FHA to $729,750 till the end of 2008.

X. Standard Deduction for Property Taxes

Congress passed legislation that created a new standard deduction for property taxes for nonitemizers in the amount of the taxes, capped at $500 ($1000 for joint filer).