CALIFORNIA ASSOCIATION OF REALTORS®

2012 LEGISLATIVE PRIORITIES

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1. REO BULK SALE INITIATIVE

HOUSE & SENATE ACTION REQUESTED:

- **Thank members who signed onto Gary Miller's letter to FHFA opposing bulk sales**

Gary Miller	**Susan Davis**	**Jerry Lewis**	**Brad Sherman**
Ken Calvert	**Joe Baca**	**Jeff Denham**	**Grace Napolitano**
Elton Gallegly	**Judy Chu**	**Dana Rohrabacher**	**Jim Costa**
Buck McKeon	**Adam Schiff**	**Duncan Hunter**	**Barbara Lee**
Brian Bilbray	**Howard Berman**	**Mary Bono Mack**	

- **Let you member of Congress know how tight inventory is in your market and what the impact would be if foreclosures were taken off the market, and thus reducing inventory even more.**
- **Bulk sales of Fannie Mae and Freddie Mac properties will cost the tax payers money because they will be sold for less than what they could receive by selling them individually.**

Congressional Actions to Date:

- FHFA has announced a pilot program to bulk sale 484 properties in Riverside/San Bernardino/Los Angeles counties, no date has been set yet for when the sale will be made.
- Nineteen members of California's Congressional Delegation have signed onto a letter to Acting Director Edward DeMarco stating their opposition to a proposed bulk sale pilot program for Fannie Mae REOs.
- Many members of Congress on both sides of the isle have been frustrated with how Edward DeMarco has utilized the GSEs in addressing their distressed properties and as a tool to address the housing market.

2. PRESERVE THE MISSION AND PURPOSE OF THE FHA PROGRAM

HOUSE & SENATE ACTION REQUESTED:

- **Support H.R. 4264, the "FHA Emergency Fiscal Solvency Act of 2012," as it was passed out of committee, which balances the need to improve the fiscal solvency of the FHA fund with costs and availability to consumers.**
- **Submit comments to HUD opposing the condominium regulations, and expressing concern that qualified homebuyers are being shut out of often the most affordable homeownership option available.**

Congressional Actions to Date:

- The House Financial Services Committee has passed H.R. 4264, the "FHA Emergency Fiscal Solvency Act of 2012," that will provide FHA with additional tools to mitigate risk without overburdening consumers.
- Several members of Congress have written to HUD to express concern with FHA's condominium policies that make it very difficult to purchase a condo with FHA financing.

3. PROTECT HOMEOWNERSHIP TAX BENEFITS

HOUSE & SENATE ACTION REQUESTED:

- **House members should cosponsor H.R. 4336 or H.R. 4202 if they have not yet done so.**
- **Senators should cosponsor S. 2250 if they have not yet done so.**
- **More time is needed to restore equilibrium in the market. More than 20% of all homeowners currently owe more on their mortgages than the current fair market value of their homes.**

Congressional Actions to Date:

- The House has introduced H.R. 4202, which would extend the mortgage cancellation relief for two more years, through December 31, 2014. And H.R. 4336, a similar bill, which would extend it for one year.
- The Senate has introduced S. 2250, which also extends the mortgage cancellation relief for two years.

4. REAUTHORIZE THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

HOUSE & SENATE ACTION REQUESTED:

- **Thank your House members for voting for H.R. 1309. Ask your House member to urge the Senate to pass a 5-year flood insurance reauthorization bill before the current temporary extension of the flood bill expires on May 31.**
- **Urge your Senator to take up and approve a 5-year reauthorization measure and end the uncertainty of extensions and shutdowns.**
- **Do not let a vital program laps again or hold it hostage to extensions of other federal programs.**

Congressional Actions to Date:

- In July 2011, the House voted 406-22 to approve a 5-year reauthorization measure, H.R. 1309.
- The Senate Banking Committee has since unanimously reported a similar bill, S. 1940, which continues to await full Senate consideration. 41 senators recently wrote their leadership urging them to bring up such a measure for debate.

5. SECURE THE FUTURE OF HOMEOWNERSHIP

HOUSE & SENATE ACTION REQUESTED:

- **Reform of the secondary mortgage market should be comprehensive, and the federal government must have a continued key role in the secondary mortgage market in order to ensure that there is capital for mortgage lending in all mortgage markets under all market conditions.**
- **NAR would like a hearing on H.R. 1498 or S. 2120. This legislation requires services to decide whether to approve a short sale within a specified time frame of completion of the short sale request.**
- **Support increased educational standards for appraisers, and support state regulation of ALL appraisers, regardless of their source.**
- **Congress should insist that the Regulators put forth broad QRM and QM rules that maximize access to reasonable and safe credit for borrowers as Congress intended.**

Congressional Actions to Date:

- During the first session of the 112th Congress, the House Financial Services and Senate Banking Committees held numerous hearings on the housing market, primarily focusing on foreclosure/loss mitigation and the state of the nation's housing. Year-to-date, the House Financial Services Committee has not held any hearings on GSE reform, appraisals, short sales

or QRM/QM; the Senate Banking, Housing and Urban Affairs Committee has held only one two-part hearing on the state of the nation's housing.

- NAR expects that with a renewed focus by the Administration and Congress on housing concerns that additional hearing on all three issues will be initiated and that NAR will be a primary participant.

6. Bolster Commercial Real Estate Lending

HOUSE & SENATE ACTION REQUESTED:

- **Pass H.R. 1418 and S. 2231. Credit unions can fill in the commercial real estate lending gap, and help get capital to the struggling small businesses that occupy commercial space.**
- **Pass H.R. 940 and S. 1835 to create a U.S. covered bond market, which would complement the fragile commercial mortgage-backed securities (CMBS) market by providing an additional new source of capital for the commercial real estate industry**

Congressional Actions to Date:

- Representatives Royce (R-CA) and McCarthy (D-NY) introduced H.R. 1418, the "small business Lending Enhancement Act of 2011," to increase the member business lending cap from 12.25% to 27.5% of total assets for well-capitalized credit unions. The Senate has introduced S. 2231 as a companion bill.
- In June 2011, the House Financial Services Committee voted to pass H.R. 940, the "United States Covered Bond Act of 2011." This legislation facilitates the creation of a U.S. covered bond market, which would provide an additional source of commercial real estate lending. The Senate has introduced S. 1835 as a companion bill.