

# AGENDA



## 2022 NAR NXT

### Conventional Financing and Policy Committee

November 11, 2022

2:00pm – 3:30pm ET

**Chair:** Anthony Lamacchia (MA)

**Vice Chair:** Jeff Phillips (CA)

**Committee Liaison:** Donna Smith (SC)

**Staff Executive:** Ken Fears (VA) / Matt Emery (DC)

### PURPOSE

To coordinate and refine policy developed on legislative and regulatory issues and to coordinate and oversee the legislative, regulatory, and other public policy-making functions of the Association.

### 2:00 – 2:03

#### I. Call-to-Order

- **Welcome**
- **Commitment to Anti-trust Compliance**
  - *Anthony Lamacchia, Chair*

### 2:03 – 2:10

#### II. Committee Issues

- **Campaigning Policy**
- **[Conflict of Interest Statement](#)**
- **Approval of Previous Meeting Minutes**
- **RPAC Committee Challenge**
- **President Rouda-Smith's Diversity Challenge**
- *Jeff Phillips, Vice Chair*

### 2:10 – 2:40

#### III. Impact of New GSE Underwriting Requirements for Condominiums

- *Trey Goldman, Legislative Counsel, Florida Association of REALTORS®*
- *Danielle Blake, SVP of Government Affairs, Miami Association of REALTORS®*

In the wake of the collapse of the Florida condominium development, Fannie Mae and Freddie Mac announced temporary condominium project requirements that will apply to all mortgages, in complexes with five or more units, executed on or after February 28, 2022. In addition to existing condominium requirements, lenders may also require HOA meeting minutes, engineer's reports, reserve studies, lists of necessary repairs provided by the HOA or management company and any other similar documentation. The intent of this new rule is to prove to the lender that the building has no material deficiencies and ensure that there are no outstanding critical repairs. It is unclear how much of an impact this rule change will have on condominium financing.

NAR has heard from states around the country that:

- Lenders are asking HOAs to fill out addendums and provide the safety and reserve documentation.
- The HOAs do not know how to fill out the forms or find the studies.
- Professional management companies will not provide the information.

**2:40-2:43**

#### **IV. Update – Climate Finance Working Group ([Full Report](#))**

- *Jeff Phillips, Vice Chair*

**Recommendations:** NAR should:

- Continue to closely monitor efforts by federal regulators and agencies as well as the government sponsored enterprises to understand and address climate financial risk;
- Conduct outreach and build relationships with federal entities charged with addressing this risk; and
- Consider continuing a work group to investigate the impacts on real estate markets.

**2:43-2:46**

#### **V. Update – Cryptocurrency Presidential Advisory Group**

- *Rob Harrington, Committee Member*

**2:46-2:49**

#### **VI. Update – Housing Supply Presidential Advisory Group**

- *Jeff Phillips, Vice Chair*

**PAG Purpose:** Members of several different PPCC committees have expressed an interest in working collaboratively on pressing housing supply and affordability issues. NAR hosted a roundtable with the leaders of several committees in San Diego in 2021, to start brainstorming ways for our committees to enhance NAR advocacy strategies that will result in viable solutions to our housing supply crisis. The participants agreed that we should form a PPCC workgroup to continue the conversations into 2022, specifically to tackle issues related to: large investors buying or building single family home communities for rentals, zoning/land use issues, and building supply/labor shortage issues.

[Full Report and Recommendation](#)

**2:49-2:59**

#### **VII. Update – Down Payment Assistance Working Group**

- **Reading of the Policy Motion**

REALTORS® recognize that the down payment is one of the largest hurdles faced by prospective buyers and that a significant share of Americans from all walks of life need financial assistance to overcome this initial barrier

The National Association of REALTORS® (NAR) urges:

- Private entities, including employers, to fund down payment assistance (DPA) programs generally or as an employee retention benefit,

- State and local associations to promote local legislation and regulation that would support, fund, and establish DPA programs, and
- Lenders, federal guarantee programs, the government sponsored enterprises, and private lenders to accept and engage both public and privately funded DPA programs

Regulators should:

- Monitor both publicly and privately funded DPA programs for transparency and their ability to provide a bona fide benefit to consumers,
- Provide adequate disclosures to ensure consumers understand their financial obligations, and
- Ensure consumer protections address unique product features and financial structures but allow for innovation that generates a credible benefit for consumers and preserves market safety and soundness.

DPA programs should:

- Raise the financial acumen of their clients through purchase and property-owner education (e.g. maintenance, community engagement, etc.), and
- Be available and accessible by a wide range of qualified buyers

- **Discussion**

- **Vote**

- Anthony Lamacchia, Chair

2:59-3:09

### VIII. Update – Special Purpose Credit Program (SPCP) Working Group ([NAR Proposed Policy](#)) ([C.A.R. IBP](#))

- **Reading of the Motion of Support**

*Motion: That the National Association of REALTORS® (NAR) support section 701(c) of the Equal Credit Opportunity Act (ECOA), enacted in 1976, which permits the creation of Special Purpose Credit Programs (SPCPs) to meet the credit needs of underserved borrowers and communities, and that NAR support SPCPs that meet all of the following criteria:*

- *The program extends credit to an economically disadvantaged class of persons, or meets special social needs, as defined by the Equal Credit Opportunity Act and Regulation B;*
- *The program is established and administered pursuant to a written plan that identifies the need for the program, the class of persons that the program is designed to benefit, and creates procedures and standards for extending credit pursuant to the program;*
- *The program does not lead to a degradation in loan quality or performance, and complies with all existing mortgage financing rules, including the Qualified Mortgage exemption to the Ability to Repay and the TILA-RESPA Integrated Disclosure; and*
- *The program complies with NAR's [Responsible Lending Policy](#), and that borrowers are offered the financial products that best fit their needs and qualifications regardless of whether they qualify for an SPCP.*

**C.A.R. Policy:** That C.A.R., in conjunction with NAR, “SUPPORT” Special Purpose Credit Programs by private entities that provide homeownership opportunities to communities that have historically been discriminated against.

- **Discussion**
- **Vote**
  - *Anthony Lamacchia, Chair*

**3:09-3:30**

**IX. Open Discussion**

- *Anthony Lamacchia, Chair*

**3:30pm**

**X. Adjourn**

- *Anthony Lamacchia, Chair*