



## CONGRESSIONAL ISSUES BRIEFING

NAR Midyear Business Meetings  
Thurgood Marshall Ballroom West  
Marriott Wardman Park  
Tuesday, MAY 14, 2019  
10:30 am to 11:30 am  
Washington, DC

### **PRESIDING:**

Tamara Suminski

### **Staff:**

Matt Roberts, Federal Governmental Affairs Manager

- I. **WELCOME** – Tamara Suminski
- II. **PRESIDENT'S STATEMENT** – Jared Martin
- III. **ISSUES**

#### *A. Who We Are*

#### Talking Points

- Have a conversation with your member of Congress about what REALTORS® do for the communities in their district. How you and your fellow REALTORS® support homeownership, local businesses, and charities. You live in their communities, raise your families there, send your children and grandchildren to school there. You are small business owners who participate and give back to their district.
- Discuss with your member of Congress the positive impact homeownership has on their district, the families that you have put into homes and personalize it with a story about some of your clients who have benefited from owning a home.
- Homeownership is not a partisan issue, and homeowners are not a special interest group. Make sure the member of Congress understands why homeownership is important and why they should support policy that promotes homeownership.

#### Background

- There is an attitude that homeownership is no longer as important as it once was. REALTORS® need to lead the discussion that homeownership is more important than ever if America wants to rebuild its middle class and keep strong vibrant communities.
- A typical homeowner's wealth is estimated to reach \$262,500 in 2019, while a typical renter is only \$5,000.
- 84% of non-homeowners want to own a home in the future.
- Real estate accounted for one-fifth of the gross domestic product (GDP) in 2018.

## B. Tax Policy

### Talking Points

- REALTORS® going to D.C. should be prepared with stories from clients in the legislator's district about the impact the tax reform bill had on them.
- Congress should eliminate the \$10,000 cap on state and local tax deductions.
- The SALT cap is punitive to high-cost states and is a double taxation of middle-class Californians.
- The average Californian lost over \$6,000 in state and local tax deductions under the new law.
- Congress should also index for inflation the \$750,000 mortgage interest deduction and the exclusion on the gains of a primary residence.

### Taxation

#### Mortgage Interest Deduction

### Background

- The Tax Cuts and Jobs Act, enacted in December of 2017 made significant changes to the treatment of residential real estate.
- As the law continues to be implemented, it is clear that Congress has more work to do to address significant tax law problems that unfairly inhibit current and prospective homeowners.
- For many Americans their home is their largest asset/investment. Providing these tax benefits will help millions of middle-class Americans protect this investment and help when it comes time to retire.

## C. Fannie Mae and Freddie Mac Reform: Access to Credit

### Talking Points

- Congress should work to implement meaningful mortgage finance reform to address Fannie Mae and Freddie Mac being in conservatorship for over a decade.
- Ask your member of Congress to look at the REALTORS® Vision for Housing Finance Reform. It is the NAR proposal that will ensure:
  - Homebuyers have access to the 30-year fixed rate mortgage,
  - Creates competition in the mortgage market so homebuyers get a competitive interest rate.
  - California and other high-cost areas maintain their loan limits.
  - Protect taxpayers by ensuring the private market takes a first-loss position.
- It is Congress' job to reform the mortgage finance market, not the job of the regulators.

### NAR's Vision for Housing Finance Reform

### Background

- It has been over a decade since Fannie Mae and Freddie Mac have been placed in conservatorship.
- C.A.R. and NAR have concerns that if Congress does not act to address Fannie and Freddie, the Regulator will. The problem this creates is the regulator has stated it is their intention to shrink Fannie Mae and Freddie Mac. Any attempt to do this may very well target high-cost areas which will disproportionately impact California.
- Additionally, it is not the job of the regulator to reform the mortgage market. It is the job of Congress.

#### *D. Other Issues*

Members should look at the list below and consider if appropriate raising one to two additional issues that are pertinent to their district.

##### 1. Flood Insurance: Long-Term Reauthorization, Meaningful Reform

Authority for the National Flood Insurance Program (NFIP) to write insurance expires on May 31, 2019. REALTORS® are working to avoid an NFIP lapse while advocating for a long-term reauthorization including meaningful reforms to strengthen program solvency. Reforms include more accurate flood mapping; aligning insurance rates to risk, providing property risk mitigation resources; and opening the door to private flood insurance.

[National Flood Insurance Program](#)

##### 2. Qualified Opportunity Zones

The Qualified Opportunity Zone program aims to encourage development and job creation in economically distressed communities through tax incentives for investments into these areas. REALTORS® support this program and are active with helping the Treasury Department and the Administration make it a success.

[Qualified Opportunity Zones](#)

[Qualified Opportunity Zones Primer](#)

[IRS Qualified Opportunity Zones Frequently Asked Questions](#)

##### 3. Infrastructure: All-encompassing Investments

Infrastructure improvements enhance property values by creating livable communities and business districts. Poorly maintained streets, public transit, and traffic congestion in an area impose extra costs throughout the local economy. REALTORS® support infrastructure policies that reflect a broad community vision, and a level playing field for both highway and public transit funding.

[Transportation and Infrastructure](#)

##### 4. Technology: Data Privacy & Security

Technology has and continues to transform the way consumers buy, sell, rent, and manage homes, while also impacting the way real estate brokerages operate. As technology drives evolution, our approach to data privacy must evolve as well. Effective data privacy legislation must establish uniform standards for businesses and equal protection for consumers, while focusing on transparency and customer choice.

[Data Privacy & Security](#)

##### 5. Health Insurance: Expanded Access to Association Health Plans

As independent contractors, REALTORS® have long struggled to find and secure affordable health insurance options, with many remaining uninsured. We strongly support the U.S. Department of Labor's final rule expanding access to Association Health Plans. This rule has been successful and is supported in many states, providing high quality, lower cost coverage alternatives to many REALTORS® and their families.

[Association Health Plans](#)

##### 6. Fair Housing

Fair housing is integral to our ability to buy, purchase, lease, and occupy real estate in America, having protected our nation's essential right to property for more than half a century. Earlier this spring, NAR was pleased to support H.R. 5, the Equality Act, which adds fair housing protections based on sexual orientation and gender identity.

What Everyone Should Know About Equal Opportunity Housing

**IV. MEETING LOGISTICS – DeAnn Kerr**

**V. NEW BUSINESS**

**VI. ADJOURNMENT**