

AGENDA



**NATIONAL ASSOCIATION OF REALTORS®
2019 REALTORS® LEGISLATIVE MEETINGS
FEDERAL FINANCING & HOUSING POLICY COMMITTEE
Friday, November 8, 2019
9:00AM – 11:00AM
Park Central Hotel
Metropolitan II, 2nd Level**

CHAIR: George S. Wonica (NY)
VICE CHAIR: Sid Pugh (AL)
COMMITTEE LIAISON: Melanie Barker (CA)
STAFF EXECUTIVE: Megan Booth (DC)

PURPOSE: To monitor and analyze current and prospective federal housing issues affecting the FHA single-family (1-4 units) housing programs, HUD-assisted housing programs, federal multifamily housing programs, the VA Home Loan Guaranty Program, the rural housing programs under the Rural Housing and Community Development Service, the Farmer MAC and the Farm Credit System, and federal budgetary policies and actions pertaining to each, and the Committee recommends appropriate public policies to address them.

Additional background materials may be found at:

[Committee Hud Page](#)

[Committee Landing Page](#)

I. Welcome and Introductions – George S. Wonica, Chair

a. [Conflict of Interest Policy](#)

b. Approval of [Minutes, May 2019](#)

II. Guest Speaker

Roger Glendenning, Deputy Administrator of Single Family Housing,
Rural Development, Department of Agriculture

Responsible for portfolio management and budget formulation/execution activities for over 40 Federal loan, grant, and loan guarantee programs serving rural areas. These programs represent approximately \$38 billion dollars in program level annually. All of these programs must comply with Federal Credit Reform Act requirements. He is also responsible for executing an annual \$650 million administrative budget for a 5,000 person organization (salary, benefits, and other operating costs). Oversees the accounting for a \$200 billion portfolio and have management responsibilities for over 250 staff in the CFO organization.

III. Policy Discussion

a. Section 8 Housing Choice Voucher Program

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the

private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

b. FHA as independent HUD agency

The Administration has proposed making the FHA an independent agency of HUD. It is unclear how this would impact oversight of the FHA, budget transfers of FHA profits, FHA role and mission, and FHA market share. The committee is expected to discuss what policy NAR should or should not take.

IV. Updates and Discussion

a. Condo Rule

On August 14, 2019, the U.S. Department of Housing and Urban Development (HUD) released the long-awaited final rule on project approval for single-family condominiums insured by the Federal Housing Agency (FHA). After years of advocacy by REALTORS®, HUD's final rule contains several elements that will enable more buyers to be able to use FHA-insured financing to purchase a condominium. Highlights include:

- The return of single unit approval, also known as “spot loans,” for units in non-FHA approved properties
- Increased certification period from two to three-years, plus a six-month grace period to submit re-certification materials
- Increased acceptable commercial space to 35 percent of total area
- Reduced requirement for owner-occupancy percentage exceptions

b. FHA Downpayment Assistance

As of August 14, 2019, the U.S. Department of Housing and Urban Development (HUD) has officially rescinded guidance related to clarifying documentation requirements for government entities that provide down payment assistance to Federal Housing Administration (FHA) borrowers, including requiring entities to prove the property in question was within the jurisdiction where the government entity has authority to provide assistance. Following the release of the guidance, affected entities filed an injunction against HUD. HUD suspended the guidance while the legal challenges made their way through the courts. With the rescission of the original guidance, contained in Mortgagee Letter 19-06, policy guidance for FHA's down-payment assistance program continues to be found in its Single Family Housing Policy Handbook 4000.1 Section II.A.4.d.ii.

c. FHA alternative credit pilot

REALTORS® continue to advocate for the use of alternative credit in underwriting borrowers. Often many non-white communities rely less on financial tools traditional used to build a borrower's credit. This has caused many potential homebuyers to not qualify or overpay for their mortgage.

d. VA Loan Limits

The President is expected to sign H.R. 299, the "Blue Water Navy Vietnam Veterans Act." This legislation includes language which will eliminate the cap on the VA home loan guarantee. Veterans, under this legislation, will be able to purchase any home they qualify for using the VA

home loan (with zero down payment).

As introduced, the legislation would slightly increase some of the guarantee fees for all veterans using the VA loan program, in order to pay for the healthcare component. NAR opposed this language, and in conjunction with other groups, was able to mitigate the impact of these increases.

e. VA Guarantee Fees

As noted above, the VA guarantee fees were temporarily increased to offset the cost of the Blue Waters bill. Often times, Congress will use a temporary fee increase and years later revisit the “well” for other programs. However, Congress has already introduced legislation that would extend the fee increase further. Tight budgets and expanding deficits has made VA guarantee fees a source of funding that till now had little opposition.

V. Outlook for 2020

VI. RPAC Committee Challenge Celebration – Sid Pugh, Vice Chair

VII. New Business – George S. Wonica, Chair

VIII. Adjournment – George S Wonica, Chair