

NATIONAL ASSOCIATION OF REALTORS®

EYE ON THE HILL

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Creating Affordable Housing Opportunities: National Homeownership Month and NAR Programs

Every June, since 2002, has been designated as National Homeownership Month. The goal has always been to raise the awareness of the importance of homeownership to the building and strengthening of communities across America. Building strong communities has always been a cornerstone of NAR's Legislative Advocacy Agenda.

This year, working with our REALTOR® Party Champions in Congress, NAR strongly supported the **Federal Housing Finance Reform Act of 2007, HR 1427**. This measure strengthens Congressional oversight of Freddie Mac and Fannie Mae and restructures the conforming loan limits in high cost areas. The bill passed the House of Representatives ([313 – 104 roll call vote number 306](#)) and awaits action in the **Senate Committee on Banking, Housing, and Urban Affairs**.

Another significant piece of housing legislation supported by NAR, the **Expanding American Homeownership Act of 2007, HR 1852**, reforms the FHA Program by raising loan limits, extending mortgage terms and revising down-payment criteria for mortgage insurance, including mortgage insurance premiums for zero and lower-down-payment borrowers. This legislation is awaiting floor action in the House of Representatives.

While these two legislative initiatives will certainly help create additional homeownership opportunities when signed into law, there are a number of ways that NAR is working with our state and local association partners, not only to expand the number of homeowners in the nation, but also to **help existing homeowners keep their homes**.

REALTORS® Have a Strong Stake in Preventing Abusive Lending

Abusive and predatory lending practices are a serious problem for our nation's communities. Because of abuses in the subprime market, families are losing their homes and savings, **foreclosure rates** are higher, and some neighborhoods face increased vacancy rates. Empty neighborhoods, or those where the majority of houses are for sale, can be perceived as blighted. **This leads to declining prices and inevitably devastates the strength and stability of those communities and the families who live there.**

How Did This Happen?

During the real estate boom, many lenders originated risky mortgages with floating interest rates and weak underwriting standards. While some in the media may have overdramatized the situation, a number of subprime lenders that made problematic loans have gone out of business, and the delinquency rate for subprime loans at the end of 2006 was more than 13 percent--4.5 percent are in foreclosure.

Subprime Lending Has a Role for Many Borrowers

While abusive lending does occur primarily in subprime markets, not all subprime loans are abusive or problematic. In fact, responsible subprime lenders have played an important role in helping millions of consumers achieve homeownership. NAR supports federal legislation and regulation that prevents predatory lending while maintaining a role for [responsible subprime lending](#).

Education is Key: www.realtor.org/subprime

REALTORS® believe that [financial education](#) is an important defense against abusive lending practices. NAR and its partners have issued a series of [consumer education brochures](#). They emphasize the importance of understanding the different types of available mortgages, explain how to [avoid the pitfalls](#) and entrapments of predatory loans, and suggest what homeowners should do if they are [concerned about their mortgage](#) or foreclosure. Be sure to visit www.realtor.org/subprime to access the consumer education series. Additional resources for your clients are available from our education partner [NeighborWorks®—Center for Foreclosure Solutions](#). [HOPE for Homeowners](#) provides homeowners assistance 24 hours a day 7 days a week at 1-888-995-HOPE (4673).

NAR Community Outreach Programs

[The NAR Housing Opportunity Program](#) provides REALTORS® with the tools they need to promote housing opportunities in their community. [“At Home with Diversity”](#) training educates REALTORS® to be sensitive in meeting the homeownership needs of a diverse society. [NAR's Smart Growth program](#) helps REALTORS® build better communities by encouraging smart growth.

The combination of legislative advocacy on Capitol Hill, consumer education, and our Community Outreach Partnership Programs with state and local associations help create and preserve homeownership opportunities across the nation. **Until every American family that wants to own a home has that opportunity, our work will continue.**