



2007

Legislative Accomplishments



Banks in Real Estate:

- Congress passed a two-year ban prohibiting national banks from engaging in real estate brokerage and property management.

Freddie Mac/Fannie Mae Reform:

- The House of Representatives passed HR 1427, strengthening oversight of Fannie Mae and Freddie Mac.
- The bill increases the conforming loan limit to the lower of 150% of conforming (\$625,500) or median home price in that area.
- The Senate is expected to consider the House bill in 2008.
- NAR will be advocating for an increase in the conforming loan limits to provide liquidity in all mortgage markets nationwide.

FHA Reform:

- The House and Senate approved legislation that lowers the down payments and increases the loan limits on mortgages that could be backed by the FHA.
- In 2008 NAR will be working closely with the conference committee to adopt provisions that ensure FHA is a viable product in all mortgage markets nationwide.

Affordable Housing Trust Fund:

- NAR successfully lobbied the House to approve HR 2895, creating a National Housing Trust Fund to help build, refurbish or maintain 1.5 million affordable-housing units over 10 years.
- The Fund would be financed from income generated by Fannie Mae and Freddie Mac and FHA's home equity conversion mortgage program.

Methamphetamine and Real Property:

- NAR worked with Congress to enact legislation, HR 365, authorizing the Environmental Protection Agency to develop federal guidelines to help state and local officials clean up meth-contaminated properties.

Mortgage Cancellation:

- NAR achieved a significant victory on mortgage forgiveness debt relief legislation, HR 3648.
- The new law limits the tax exemption for debt forgiveness to three years and leaves intact existing provisions for claiming a deduction on gains from the sale of a second home.

Carried Interest:

- NAR successfully convinced Congress to shelve a planned tax increase on real estate partnerships.
- NAR communicated the proposal's potentially harmful effects on real estate and the economy to the Senate Finance Committee and the Senate eliminated the carried interest proposal.

Appraisal/Mortgage Reform:

- The House of Representatives approved legislation, **HR 3915**, to reform mortgage and anti-predatory lending practices
- NAR successfully achieved a carve-out exempting persons only engaged in real estate activities from the licensing registry.

Tenants In Common:

- NAR successfully negotiated an exemption proposal with the Securities and Exchange Commission that would permit experienced commercial real estate professionals to provide real estate services to their clients interested in TIC securities.
- The exemption requires that commercial real estate professionals enter into a special buyer agent agreement that specifies who would be involved in the transaction, services provided, and fee structure. The exemption proposal is under a comment period with the SEC with final action expected in 2008.

Terrorism Insurance:

- NAR achieved a major victory benefiting commercial real estate when the President signed HR 2761.
- The legislation renews the federal backstop to terrorism risk insurance for seven years

Flood Insurance:

- NAR secured passage of comprehensive NFIP reform legislation (H.R. 3121) in the House and successfully lobbied four important amendments during committee consideration of the bill.
- NAR worked closely with the Senate Banking Committee to pass S. 2284. The bill is pending floor consideration.
- NAR also succeeded in its efforts to have \$220 million appropriated for flood map modernization in FY 2008.

Natural Disaster Insurance:

- NAR achieved passage of legislation in the House, HR 3355, and the Senate Banking Committee, S. 2286, that address the related problems of a lack of available and affordable property insurance in disaster-prone areas
- In 2008 NAR will continue to work closely with Congress on this issue.

Small Business Health Coverage:

- In 2007 NAR continued to raise the importance of passage of legislation to correct the inequities in the nation's health insurance delivery system.
- In 2008 NAR will continue to work with the House and Senate to introduce legislation for consideration.