

# 2024 REALTORS Legislative Meetings

May 5- May 9, 2024

I always enjoy the Legislative Meetings and this year was no exception. I was super excited that Trey Gowdy was a guest speaker for the Federal Legislative and Political Forum. I saw him at the hotel the day before he spoke so that was pretty cool too! Trey Gowdy is currently practicing law and is a former federal prosecutor and served four terms in congress (4<sup>th</sup> US Congressional District). Joe Cunningham, a former US Representative. The two worked across the aisle when they served in Congress, and it was interesting to hear their commentary. Trey Gowdy had some great advice:

- Get to know someone different
  - Have a little bit of grace for people that have differences-search for what you have in common with them
- Get out of the vacuum of ratification and begin to persuade
- The country will be CHANGED based on names of people you do not know

He went on to proclaim that we are living in a divided country, and he does not want to die in a divided country.

Joe Cunningham encouraged REALTORS to “Use your Voices”. He admitted that REALTORS have the pulse on what matters in the community. REALTORS are trusted. He encouraged us to continue to educate and advocate, listen and find common ground and to meet people where they are.

Mr. Gowdy closed out saying that he sees a lack of quality inventory. He suggests having an incentive for older people to move out of their big, oversized homes to increase the existing inventory of quality homes so that families and friends can move into those neighborhoods.

The Regulatory Issues Forum had some great topics covered. The speakers were Ted Tozer from the Urban Institute’s Housing Finance Policy Center, Vanessa Perry who is currently an Interim professor but has also served as a Senior Advisor to the Secretary of the US Dept of Housing and Urban Development and as an expert at the US Consumer Financial Protection Bureau (CFPB), and Matt Jones the VP for Government Housing and Finance at the Mortgage Bankers Association.

One of the biggest take-aways I had was that the Truth in Lending disclosure is affected by a buyer paying fees for services to a REALTOR as a part of their purchase transaction. It can also affect their DTI. Mr. Tozer made a great point explaining that commission must be included in the sales price or else it affects the buyer’s LTV.

I am a member of the Federal Financing and Housing Committee and with recent rule changes on the horizon, our committee was a HOT place to be. It was standing room only.

Advocacy updates from the meeting:

- HUD and USDAS put out final rules stating that Buildings that will be financed by USDA and HUD need to follow the minimum 2021 International Energy conservation Code (rule was made final)
  - This is problematic because the more expensive it is to build new housing, the harder it is to do and we are in a massive housing shortage so its not good for us. We are working with the National Association of Home Builders to see if there is any way we can work with appropriators to stop this or slow it down and avoid a slowdown of housing production in our markets
- 203k loan program- We should be hearing from HUD pretty soon on the final implementation of their draft mortgagee letter changes (we welcome their changes)
- On the assumable mortgages still waiting for feedback from HUD on changes to the fees associated and how much a servicer can charge (no timeline on that one but it is on their radar and we are hoping that they make some movement pretty soon.)
- In Texas, Louisiana and Oklahoma, The gas pipeline issue where the minimum property requirement states that a structure cant be within ten feet pf a gas pipeline (we are seeking clarification from them on that and hope to get that cleared up pretty soon.)
- Main thing everyone wants to talk about is the VA home loan and where NAR has been over the last couple of months. The day that word came out on the decision of the settlement, our staff liaison Jeremy Green was in meetings with the VA within 24 hours with senior staff at NAR and the VA to discuss the issue with them, making sure they were aware of the things that would need to change with their policies because it could leave veteran buyers behind and followed up with a letter (the letter was shared in the HUB at that time). Jeremy has personally, over the past 3 weeks has met with 19 different offices on the Hill (that's just Jeremy, there are 8 other lobbyists on staff) NAR was really flooding the zone on Capitol Hill making sure members on Congress are aware of that. That includes also meeting with Chairmen and ranking members on both the House and the Senate side. Members of Congress are aware of this, they are concerned by it and are discussing ways to deal with this either legislatively or through raising awareness with the VA.
- Of Note, this is coming on the heels of ANOTHER major servicing issue with the VA that they got embarrassed by a couple of months ago because they waited too long on a policy change, and 30 to 40 thousand veterans are at risk of foreclosure as a result. We talked about this back in November, and we are JUST getting the results of that 7-8 months down the road. We CAN NOT wait on that time frame and the VA knows this. (This was caused because the VA had to stop their loss mitigation tools

that was implemented during the pandemic because they did not have the resources or the congressional authority to continue them) VA did not believe had the authority to change payment plans or create the 40-year modification like HUD and FHA have so that lapsed and as a result there is a bunch of pending foreclosures. VA has been proactively working with servicers to ask them not to foreclose on the veterans and has created VASPA where the VA will buy back the loan from the servicer and turn it into a 2.5% interest rate. There s a bill that is being proposed that will give other loss mitigation options to the VA to make sure that these veterans aren't continuously under water.

- We have met with senior staff of the House Financial Services Committee and briefed them all intently, we met with the DNC Chair Jamie Harrison and briefed him as well because he is the one that is basically in charge of the president's campaign. We have the major industry partners, Mortgage Bankers Assoc, Build for Action Coalition, VA Rep, the community Home Lenders all on our side working with us and all also doing the same amount of meeting as we are, pushing the VA and pushing the Hill on trying to get a change as quickly as possible. Jeremy has met with five different VSOs (Veteran Services Organizations) to also understand where they stand on this because that is what is asked on the Hill. VSOs have raised awareness about this because of the servicing issues.
- We have done some consulting with the Fair Housing experts because there are some states that have Vets as a protected class (because of the disparate impact that could be seen because of the changes that could be coming from the lawsuit settlement) We will share our Fair Housing experts' opinion with the VA because they need to answer to those questions

On the Hill Day, I went with a group of our members and sat in the house chamber to see a live vote and get a taste of what happens in Congress after we met with Congressman Keith Self.