

Home Ownership Matters

To People, To Communities, To America

Vicki Cox Golder, 2010 President
NATIONAL ASSOCIATION of REALTORS®

What's All the Fuss?

TIME

“The Case Against Homeownership”

The New York Times

“Is It Better to Buy or Rent?”

Some people are questioning the value of homeownership and the government's role in the American Dream...

What's All the Fuss?



“U.S. presses mortgage lenders to fix documents, but foreclosures can continue”

THE WALL STREET JOURNAL.

“Foreclosure Delays: ‘Nail In The Coffin For Housing’”

Foreclosure problems have raised additional questions and uncertainty in the housing market.

NAR Is Focused on SOLUTIONS

- 1. Separate market myths from facts.**
- 2. Show that Home Ownership Matters.**
- 3. Advance policies that promote SUSTAINABLE Home Ownership.**

STEP 1: Dispelling Market Myths



MYTH:

Buying a home is a bad investment – you are better off renting.

Dispelling Market Myths



FACT: Homes are affordable, thanks to low interest rates and prices.

2010 Monthly FHA mortgage: \$1100

2005 Monthly FHA mortgage: \$1600

Dispelling Market Myths



HOUSING MARKET FACTS:

- The U.S. Economy is Growing
- Private Sector Is Creating Jobs
- Consumer Confidence Is Up
- 30-Year Mortgage At Generational Lows
- Median Home Price Is Stabilizing

Dispelling Market Myths



HOUSING MARKET FACTS:

- Other Price Measures Show Stabilization
- Price to Income Ratio Is Justifiable
- Economists Predict Price Increases
- Recent Loan Originations Are Performing Well
- Long-Term Housing Wealth Lead To Self-Reliance

Dispelling Market Myths



MYTH:

U.S. Government over-invested in housing and that caused the current crisis.

Dispelling Market Myths



FACT:

The vast majority of the mortgage loans made prior to the crisis were private-market mortgages, not government loans.

Dispelling Market Myths



FACT:

If not for government programs, the housing market would have ground to a halt, when private lenders left the market.

STEP 2: Why Home Ownership Matters



To people...

- Home owners enjoy a greater feeling of control over their lives.
- Historically, a home owner's net worth has ranged from 31 to 46 times that of a renter.
- Home owners are free to redecorate and modify their homes as they wish.
- Most home owners enjoy stable housing costs.
- Home owners can typically deduct mortgage interest and property taxes on their federal individual income tax return.

Why Home Ownership Matters



To communities...

- People who own homes vote more, volunteer more and contribute more to their neighborhoods.
- Home owners do not move as frequently as renters, providing more neighborhood stability.
- This stability in turn helps reduce crime and supports neighborhood upkeep.
- Children of home owners do better in school, stay in school longer, are more likely to participate in organized activities.

Why Home Ownership Matters



To America...

- 67 percent of American households are owner-occupied.
- Home owners pay 80 to 90 percent of federal individual income taxes.
- For every home purchase nearly \$60,000 is pumped into the local and national economy. That's the equivalent of creating one full-time job in America.
- Housing accounts for more than 15 percent of the national Gross Domestic Product.

Home Ownership Supports America, and American SHOULD Support Home Ownership!

STEP 3: Sustainable Home Ownership



NAR is pushing lenders to address problems with short sales and foreclosures.

- Contacted Treasury Department about our concerns related to the foreclosure moratoriums.
- Reviews must be handled quickly to avoid further delays.
- Met previously with the three largest banks on short sales and underwriting.
- Meeting with Chase later this month.

Sustainable Home Ownership



Share your stories about problems with lenders – these real-life stories help us to address issues with regulators and the banks.

- E-mail HAF@realtors.org

Sustainable Home Ownership



NAR is working with the federal government to strike an appropriate balance between federal support and private market participation.

- Government must have a role in the secondary mortgage market.
- MID and other tax policies should NOT be changed.

Sustainable Home Ownership



NAR Urges Congress to Strengthen the FHA mortgage program.

- Legislation would help address risk, while preserving affordable terms.
- House passed a bill earlier this year.
- Senate has yet to take action.

How You Can Help



Support NAR's consumer outreach:

- *Public Awareness Campaign*
- *HouseLogic.com*
- *Real Estate Today Radio*



How You Can Help



Reach out to consumers and counter negative media in your local markets.

- Talking points and materials are available for FREE at Realtor.org/Homeownership.

Attend the 2010 REALTORS[®] Conference & Expo



Learn more about our work and get information and resources that can help you spread the word about Home Ownership Matters in your business!

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