

Sharon Howie Lunski
North Dakota Association of Realtors®
Washington, DC
Midyear Meeting on 5/16/2014

NDAR Board and Realtors® of North Dakota

*Note: Be Sure and Thank Jill!
Thank You Jill for keeping us on track!*

Dear NDAR Board and Realtors® of North Dakota:

The Federal Financing and Housing Policy Committee meeting was called to order and the minutes for the 2013 meeting in San Francisco at the National Association of Realtors® convention were approved.

Condo policy was discussed again and the Condo Task Force presented it's key issues. They were/are: certification requirements, FHA owner occupancy ratios and mixed use buildings and commercial space and a lack of coordination between FHA, Freddie Mac, Fannie Mae and VA.

Our guest speaker, Joanne Kuzcma (Housing Program Officer w/FHA provided an update on the status of the upcoming FHA proposed rule on condo purchases. It is hoped that the rule will reinstate some allowances for spot approvals and easing up on some of the restrictions. The rule is in internal clearance and needs to go through the office of Management and Budget for clearance. The common reasons for denial are not enough money in FHA's capital reserve fund, delinquent HOA dues, and too much commercial space and significant litigation against condo associations. The hope of the Housing Program Office is to have changes published by September of this year.

Committee member, Rita Tayenaka from Orange County Realtors® association presented the committee with a video (done with grant money from NAR) which demonstrates the value of to condo owners by educating their association boards on the importance of being FHA and VA certified. The video can be viewed and downloaded at <https://Vimeo.com/92283222>.

Guest speaker, Patricia McClung (acting director of program development in single family housing for FHA) discussed the health of the reserve fund, which is still under the 2% mark

required by Congress, she talked about the premium structure and the future of FHA. One rising star on the horizon is the First Time Homebuyer education classes with premium discounts and basis point discounts after the classes are completed by the first time homebuyers.

The PATH act is still looming on the horizon, which would take away the government guarantee of the FHA loan and privatizing the loan. Instead NAR is behind the Johnson-Crapo bill, which is called the FHA solvency act. This is a more common sense approach to FHA reform and the bill is S1376.

NAR has sent a letter to FHA urging them to lower the premiums on their mortgage insurance, we have also asked them to not so drastically disrupt the local markets by dramatically lowering the loan limits (GSE'S) and to drop the pseudo one month charge on the FHA loan when a mortgage runs into closing in the next month....instead to do a per diem charge as in the VA and Conventional loan programs. We also addressed HECM's in a letter to FHA, the Reverse Annuity Mortgages, asking FHA to ease the requirements on the surviving spouses. This was in response to complaints from families that are being forced into foreclosure after inheriting a home following the death of a loved one. Non borrowing spouses, who are named in the home equity conversion mortgage documents, will now be allowed to defer payment on the home and continue to occupy the home as the principal residence as long as they meet certain criteria such as paying the taxes and insurance on the property.

Last but not least, was the committees participation in RPAC, which is at 80% but is promised to be at 100% by our national meetings in New Orleans.

Thank You for Allowing me to represent you on this ever changing, every moving committee. Federal Financing and Housing Policy committee has given me so much insight as to why we get stuck in the mud on some deals...and how we get out. Lots of politics involved in our world and to keep up we need to be ever vigilant as to what's going on.....I hope I helped to impart some of this knowledge to all of you....Once Again, Thank You.

Sharon Howie Lunski
