



Five members from the Alaska Association of REALTORS (Helen Jarratt, Janice Strong, Eva Loken, Sandy Eherenman and Art Clark) recently attended the National Association of REALTORS Public Policy Conference in Washington, D.C. The purpose of the meeting was to formulate a list of the top public policies priorities for the coming year. We also had the opportunity to meet with

Senator Murkowski, Senate Begich and Legislative staff for Congressman Young. This year's priorities include:

## **TAXATION**

Political observers agree that significant federal income tax legislation is inevitable in the next few years. Some of the factors driving the potential for major tax changes include the continued expansion of the alternative minimum tax (AMT) — rapid growth in unfunded liabilities facing Federal entitlement programs, and the application of so-called “pay go” budget rules in which revenue-losing tax legislation must be offset by either reductions in direct spending or by tax increases. As a result, a variety of tax laws, including those affected by commercial and residential real estate, could be reviewed with a focus on raising revenue.

- **Mortgage Interest Deduction:** NAR opposes any changes that would limit or undermine current law.
- **Capital Gains Exemption:** NAR opposes any changes to the capital gains exemption on the sale of a home.

## **REAL ESTATE FINANCE**

The persistence and severity of America's housing and mortgage finance crises have taken many observers by surprise, prompting urgency regarding viable and necessary solutions. Delinquencies are surging, home prices remain flat or in decline, and foreclosure rates continue to rise. Federal policymakers are poised to take action weighing a number of proposals aimed at laying the groundwork for healthier housing and mortgage markets in the future.

- **Government-Sponsored Enterprises:** NAR is recommending that Fannie Mae and Freddie Mac be converted into government-chartered, non-shareholder owned authorities that are subject to tighter regulations on product, revenue generation and usage, and retained portfolio practices in a way that ensures they accomplish their mission and protect the taxpayer.
- **Mortgage Loan Limits:** NAR supports making the current higher loan limits and formula permanent.
- **Federal Housing Administration Programs:** NAR is a strong supporter of the single- and multi-family programs administered by the Federal Housing Administration (FHA).

## **ENERGY AND THE ENVIRONMENT**

NAR's commitment to the environment and energy efficiency is evident in its programs to train Green REALTORS®, support Smart Growth initiatives in communities nationwide as well as its Washington, D.C. office building, the first privately owned commercial building in the nation's capital to be LEED Silver certified. Development of public policy should be guided by market principles and voluntary incentives, which preserve private property rights, ensure access to affordable property insurance, and maintain housing affordability and availability. Because environmental protection and economic growth are not mutually exclusive, those policies should not erect barriers to the ability to own, use or transfer property.

- **National Flood Insurance Program:** NAR is recommending renewing and strengthening the long-term viability of the federal flood insurance program including comprehensive coverage for non-primary residences (e.g., rental properties and second homes) and reforms to provide “full risk” premiums for most repetitive loss structures in many states. NAR also supports funding to update and improve the accuracy of flood maps, which are the cornerstone of NFIP and are used to determine which properties require flood insurance.

- **Natural Disaster Policy:** NAR supports a federal program that promotes the availability and affordability of property insurance nationwide and coordinates the mitigation of property against natural disasters, as well as post-disaster assistance.

## **COMMERCIAL REAL ESTATE**

Having a sound and well-functioning commercial and multifamily real estate sector is critical to our country's economic growth and development, and to millions of U.S. businesses of all sizes that provide local communities with jobs and services. The overall economic downturn and crisis in the broader financial markets is directly impacting not only the fundamentals of commercial real estate finance, but also the outlook for recovery.

- **Commercial Real Estate Lending:** NAR supports protecting and enhancing the flow of capital to commercial real estate. NAR believes Congress should consider legislation aimed at improving commercial real estate markets. These include increasing the cap on credit union member business lending (MBL) and improving lending access through the passage of the Small Business Lending Fund.