



LEGISLATIVE REPORT

August 2010

WALL STREET REFORM and CONSUMER PROTECTION

Earlier this week, President Obama signed into law the Wall Street Reform and Consumer Protection Act of 2010. NAR was at the table throughout the process, ensuring that the House and Senate heard the REALTOR® point of view and making sure that the legislation did not adversely affect REALTORS®.

There were a number of provisions relevant to REALTORS®; to see a summary of the bill and its relationship to the industry, please visit REALTOR.org:

<http://bit.ly/9AJY8t>.

PERMANENT FLOOD REFORM BILL

The United States House of Representatives passed H.R. 5114, the Flood Insurance Reform Priorities Act of 2010, among the key elements of the bill is the extension of the National Flood Insurance Program (NFIP) to September 30, 2015. The actions of the House are an important step toward enacting meaningful reform for the Flood Insurance Program and ending the uncertainty of stop-gap measures that have been keeping the program in place. NAR has been actively seeking NFIP reform since 2008.

Unless a longer term reauthorization is enacted, Congress will again have to consider another short-term extension before September 30 2010, when NFIP authority is next set to expire. Since September 2008, the House and Senate have not been able to agree on the NFIP debt reforms and thus has resorted to approving a series of short-term extensions. There have been eight such extensions so far and, twice, the NFIP authority has been allowed to expire. NAR will continue to provide regular updates on the status of this legislation and the short-term extensions in the interim. The bill now will move to the United States Senate where the prospects of passage are not clear.

RURAL HOUSING PROGRAM

The USDA Section 502 Rural Housing program remains unfunded. The House has passed HR 4899, which includes language to reauthorize the program. The Senate just passed its own package that includes language on rural housing and sent it to the House. The House could act on this legislation as soon as next week. We will be sure to keep you updated as developments arise on this important issue.

FANNIE MAE REVIEWS LAST MINUTE CREDIT CHECKS

Fannie Mae announced last week that it is rethinking the rule it put in place earlier this year requiring lenders to do a second credit check shortly before closing. The goal of the rule is to identify new debt that might undermine an applicant's ability to pay, but for both homebuyers and lenders, the second check is problematic.

<http://www.realtor.org/rmodaily.nsf/pages/News2010071905?OpenDocument>