



Immediate Release

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Kentucky Association of REALTORS® Applauds Housing Bill

Lexington, KY – A significant piece of housing legislation was signed into law this week by the President that is aimed at helping home buyers, slowing the rising rate of foreclosures and stabilizing the housing market throughout the country and within the Commonwealth, according to the Kentucky Association of REALTORS®.

“This milestone legislation, the Housing and Economic Recovery Act of 2008, includes many great benefits to home buyers, especially first-timers, and should provide a strong stimulus to the housing market in general,” said KAR President Robert Damron.

The centerpiece of the legislation is a \$7,500 tax credit for first-time home buyers, as well as reform of the government-sponsored enterprises (GSE) Fannie Mae and Freddie Mac, permanent increases to both GSE and Federal Housing Administration (FHA) loan limits and a program to expand FHA that would allow more homeowners to refinance their mortgages.

Key elements of H.R. 3221, the Housing and Economic Recovery Act of 2008, include:

- **A temporary first-time home buyer tax credit.** The tax credit will stimulate home buying, reduce excess supply in housing markets and shore up home prices.
- **FHA modernization and expansion.** A revitalized FHA will have greater flexibility to respond to the needs of borrowers, enable more working families to become home owners and play an important role in the mortgage markets. To address the foreclosure crisis, the FHA is given additional authority to insure up to \$300 billion of mortgages to refinance loans headed for foreclosure.
- **GSE (government-sponsored enterprise) reform.** The law reforms the regulation of Fannie Mae and Freddie Mac and permanently increases the conforming loan limit to help buyers in high-cost markets. To reassure financial and global markets, the government will temporarily expand its line of credit to Fannie and Freddie and permit the U.S. Treasury to purchase an equity stake in the companies through the end of 2009.

- **Mortgage Revenue Bond Program.** The measure gives states the ability to issue an additional \$11 billion in mortgage revenue bonds, which will help strapped borrowers seeking to refinance their home loans.

- **Low Income Housing Tax Credit.** Enhancing this program will expand the supply of much-needed affordable rental housing.

“With the passage of this housing bill, the advantages of entering the market now really stand out,” continued Damron. “The \$7,500 tax credit for first-time home buyers coupled with historically low interest rates, affordable home prices, abundant inventory and new conventional financing options are prime incentives to those looking to purchase a home.”

The \$7,500 tax credit is only effective through June 30, 2009. Contact a REALTOR® to find out the qualifications for this legislation and discuss ways to benefit in the current market environment. REALTORS® can provide solid advice on neighborhood conditions and help locate the perfect home.

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