

2008 NAR Public Policy Agenda Survey

REALTORS® play an important role in the public policy arena. Whether at the federal, state or local level, public policy not only affects the real estate business, but also consumers. To assess views on the importance of these issues, a survey was distributed to REALTORS® asking them to rate the importance of 34 public policy issues.

The information presented below shows how REALTORS® rated the importance of each public policy issue. Results also are presented for several sub-groups based on the leadership role of members, commercial vs. residential brokerage as a primary business area, by major geographic region and by years of experience as a REALTOR®.

The survey did not ask respondents to evaluate NAR's position on policy issues, only the importance of the issue. Results do not indicate whether REALTORS® are "for" or "against" NAR's position on a particular policy issue.

All REALTORS®

- At least 90% of REALTORS® indicated that Capital Gains Exclusion on Principal Residence, the Mortgage Interest Deduction, and Prevention of Abusive Lending Practices are policy issues of highest importance.
- Overall, 25 policy issues are rated as highly important by at least 50% of survey respondents. Ten policy issues are rated highly important by at least 75% of REALTORS.

Member Leaders and Members at Large

- Member Leaders (REALTORS® who are active as committee members or hold a leadership position in NAR, their state or their local association) and Members at Large each rated the same 8 policy issues among the top 10. These 8 policy issues are: Capital Gains Exclusion on Principal Residence, the Mortgage Interest Deduction, Prevention of Abusive Lending Practices, Banks in Real Estate, Small Business Health Plans, Mortgage Market Credit Crunch, Real Estate Transfer Taxes and Eminent Domain.
- A larger percentage of Member Leaders rated FHA Loan Limit Increase and GSE Reform as highly important issues.
- A larger percentage of Members at Large rated Data Security and Water Resources and Water Quality as highly important issues.

Residential and Commercial Brokerage

- REALTORS® who indicated their primary business activity was either residential or commercial brokerage rated the same 7 policy issues among the 10 issues of highest importance – Capital Gains Exclusion on Primary Residence, Mortgage Interest Deduction, Banks in Real Estate, Prevention of Abusive Lending Practices, Small Business Health Plans, Real Estate Transfer Taxes and Data Security.
- Residential Brokerage specialists rated the Mortgage Market Credit Crunch, Eminent Domain and FHA Loan Limit Increase among the top 10.
- Commercial Brokerage practitioners rated Depreciation of Tenant Improvements, Mortgage Cancellation, and Property Owners Right to Pursue Takings Claims more highly than residential brokerage specialists.

Regional Differences

- Although REALTORS® in different regions of the country were in agreement about the importance of many policy issues – Capital Gains Exclusion and the Mortgage Interest Deduction were the two most highly rated policy issues in each region – there was a greater diversity of views on other policy issues.
- The FHA Loan Limit Increase was rated as highly important by 80% of REALTORS® in the West compared to 69% among those in the Midwest.
- At least 75% of REALTORS® in the Northeast and South indicated that National Flood Insurance Program was a highly important issue compared with approximately 65% in the Midwest and 63% in the West.

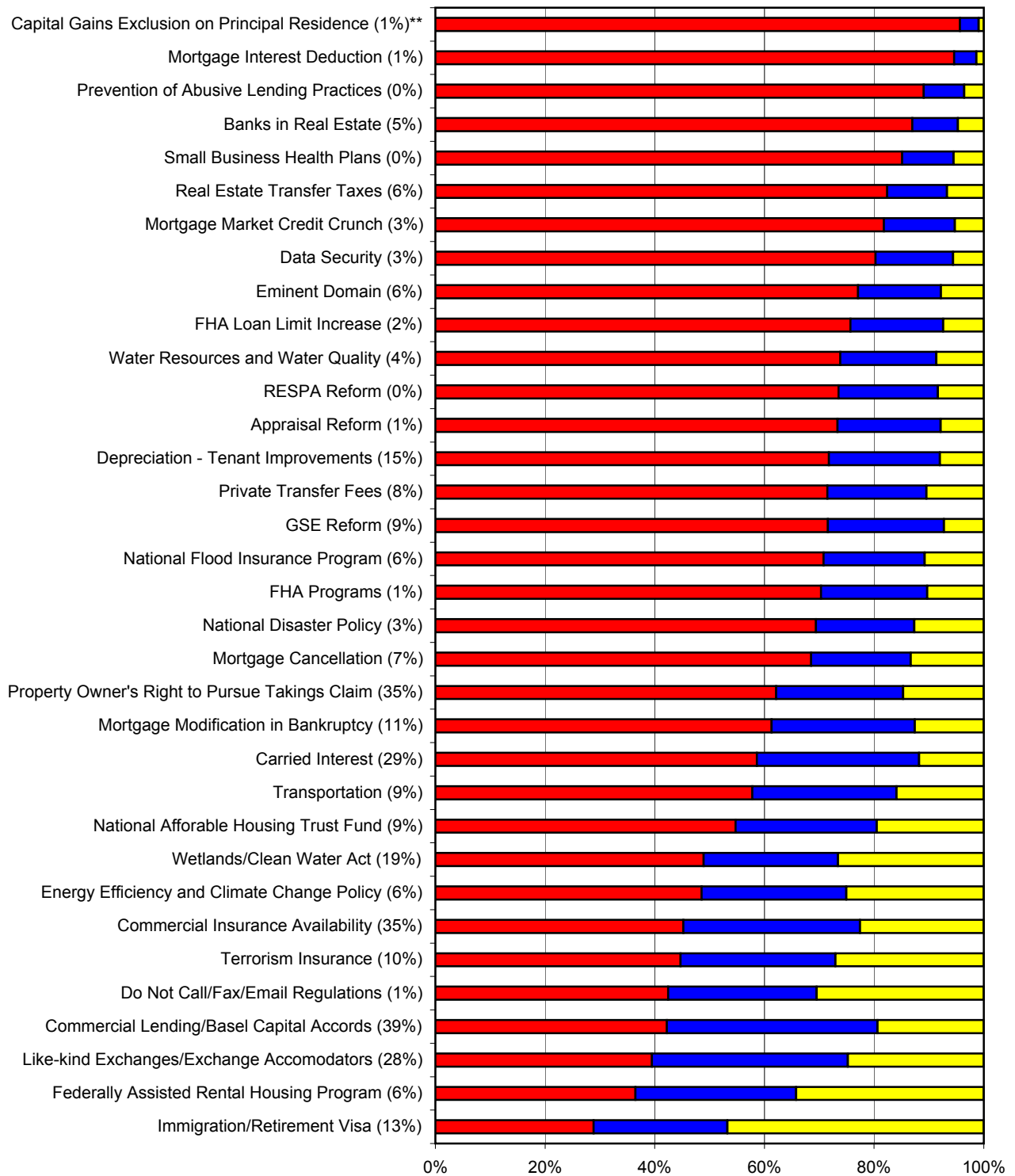
Experience as a REALTOR®

- Views about the importance of policy issues are very similar among REALTORS® with different levels of experience.
- Among those with 6 to 10 years and 11 or more years experience, the same 10 policy issues were among the top 10 for each group.
- REALTORS® with 5 or fewer years of experience indicated that Appraisal Reform and Water Resources and Water Quality were issues of higher importance than more experienced REALTORS®.

About the Survey

An online survey was distributed to a representative sample of REALTORS®. The survey asked each respondent to rate 34 policy issues on a scale of 1 (highest importance) to 5 (lowest importance). In the following exhibits, “high importance” includes respondents rating each issue either “1” or “2”. Respondents were also given an opportunity to indicate that they did not know enough about an issue to offer an opinion. Survey results have been weighted to be representative of REALTOR® membership at the state level. Results presented here are based on 2,634 responses, representing an adjusted response rate of approximately 4%.

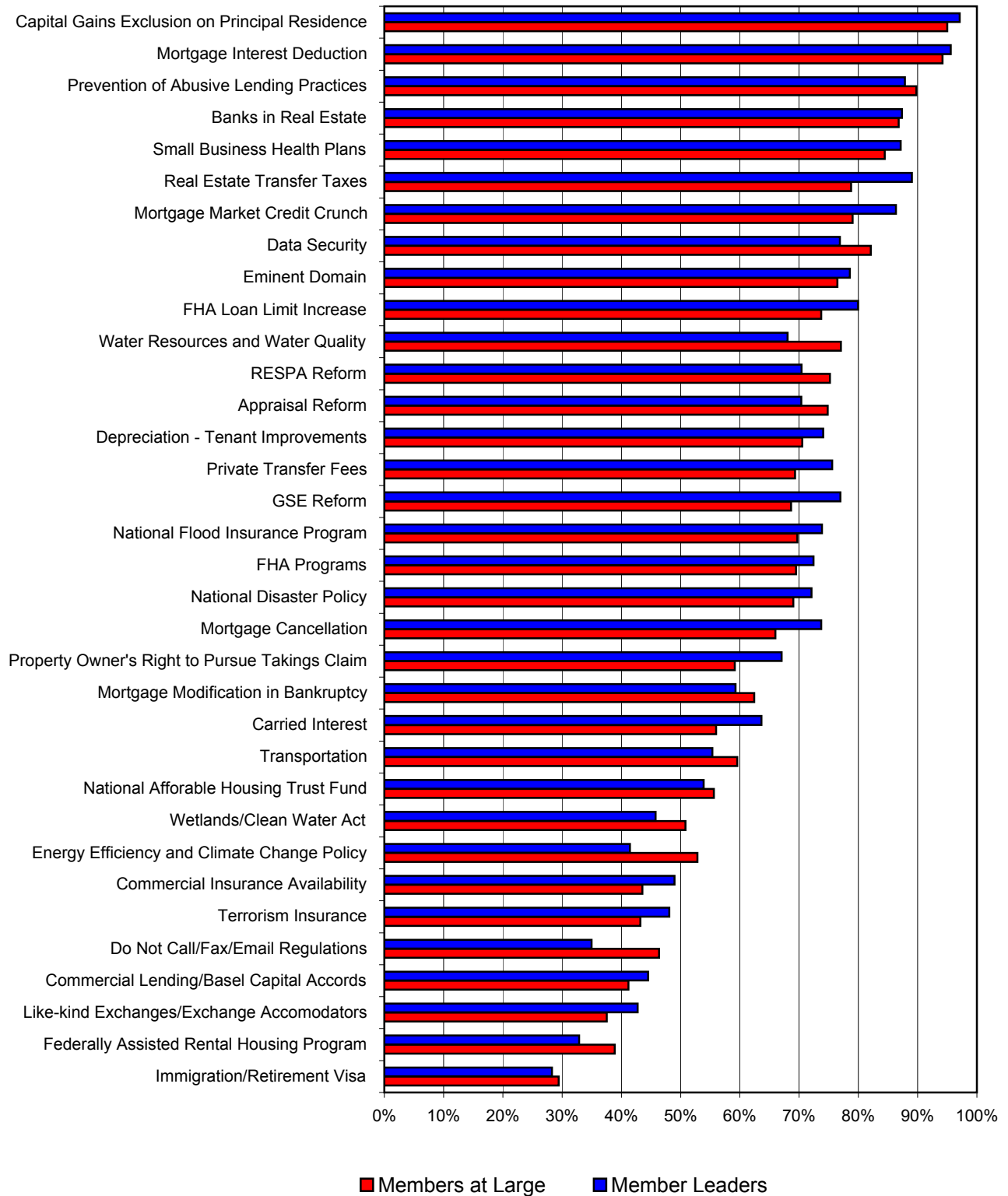
Ranking of Issues by All REALTORS®



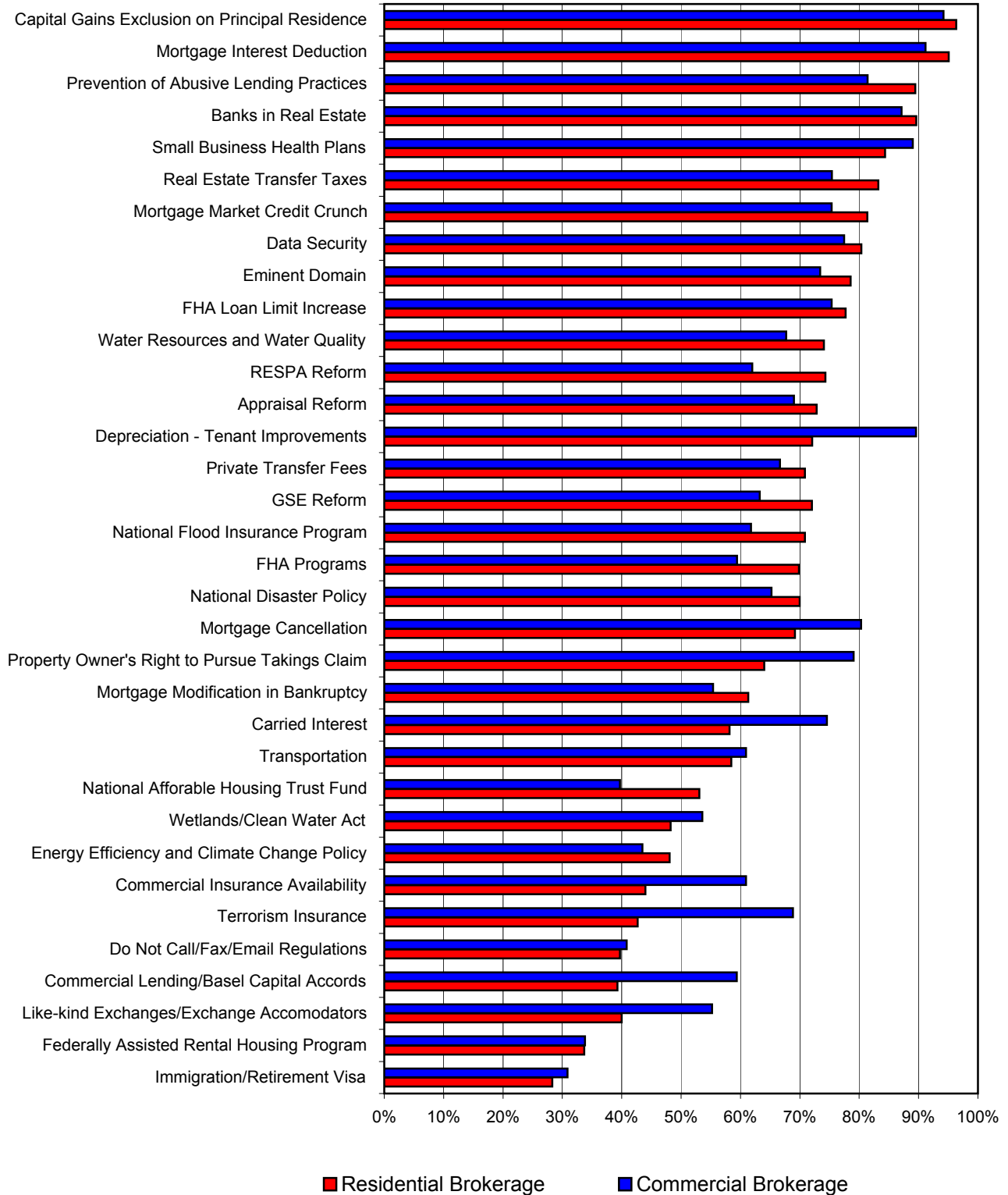
** Percent of respondents indicating they were unfamiliar with the issue and did not rate its importance.

■ High Importance (1 & 2) ■ Moderate Importance (3) ■ Low Importance (4 & 5)

Federal Policy Issues Ranked with "High Importance" by REALTORS® Role in Association



Federal Policy Issues Ranked with "High Importance" by REALTORS® Brokerage Specialty



REALTORS® Ranking Policy Issues with "High Importance" by Brokerage Type

	Residential Brokerage	Commercial Brokerage
1	Capital Gains Exclusion on Principal Residence (96%)**	Capital Gains Exclusion on Principal Residence (94%)
2	Mortgage Interest Deduction (95%)	Mortgage Interest Deduction (91%)
3	Banks in Real Estate (90%)	Depreciation - Tenant Improvements (90%)
4	Prevention of Abusive Lending Practices (89%)	Small Business Health Plans (89%)
5	Small Business Health Plans (84%)	Banks in Real Estate (87%)
6	Real Estate Transfer Taxes (83%)	Prevention of Abusive Lending Practices (81%)
7	Mortgage Market Credit Crunch (81%)	Mortgage Cancellation (80%)
8	Data Security (80%)	Property Owner's Right to Pursue Takings Claim (79%)
9	Eminent Domain (79%)	Data Security (77%)
10	FHA Loan Limit Increase (78%)	Real Estate Transfer Taxes (75%)
11	RESPA Reform (74%)	Mortgage Market Credit Crunch (75%)
12	Water Resources and Water Quality (74%)	FHA Loan Limit Increase (75%)
13	Appraisal Reform (73%)	Carried Interest (75%)
14	Depreciation - Tenant Improvements (72%)	Eminent Domain (73%)
15	GSE Reform (72%)	Appraisal Reform (69%)
16	National Flood Insurance Program (71%)	Terrorism Insurance (69%)
17	Private Transfer Fees (71%)	Water Resources and Water Quality (68%)
18	National Disaster Policy (70%)	Private Transfer Fees (67%)
19	FHA Programs (70%)	National Disaster Policy (65%)
20	Mortgage Cancellation (69%)	GSE Reform (63%)
21	Property Owner's Right to Pursue Takings Claim (64%)	RESPA Reform (62%)
22	Mortgage Modification in Bankruptcy (61%)	National Flood Insurance Program (62%)
23	Transportation (58%)	Transportation (61%)
24	Carried Interest (58%)	Commercial Insurance Availability (61%)
25	National Affordable Housing Trust Fund (53%)	FHA Programs (59%)
26	Wetlands/Clean Water Act (48%)	Commercial Lending/Basel Capital Accords (59%)
27	Energy Efficiency and Climate Change Policy (48%)	Mortgage Modification in Bankruptcy (55%)
28	Commercial Insurance Availability (44%)	Like-kind Exchanges/Exchange Accommodators (55%)
29	Terrorism Insurance (43%)	Wetlands/Clean Water Act (54%)
30	Like-kind Exchanges/Exchange Accommodators (40%)	Energy Efficiency and Climate Change Policy (43%)
31	Do Not Call/Fax/Email Regulations (40%)	Do Not Call/Fax/Email Regulations (41%)
32	Commercial Lending/Basel Capital Accords (39%)	National Affordable Housing Trust Fund (40%)
33	Federally Assisted Rental Housing Program (34%)	Federally Assisted Rental Housing Program (34%)
34	Immigration/Retirement Visa (28%)	Immigration/Retirement Visa (31%)

** Percent who ranked the issue as Highly Important.

NOTES:

Residential brokerage includes respondents whose business activity is exclusively or mostly residential brokerage

Commercial brokerage includes respondents whose business activity is exclusively or mostly commercial brokerage

Percent of REALTORS® Rating Each Policy Issue with High Importance

RED: 75% or more of each group rated issue with "High Importance"

BLUE: 50% or fewer of each group rated issue with "High Importance"

	Member Role			Region				Brokerage Type		Experience as a REALTOR®		
	All REALTORS®	Members at Large	Member Leaders	Northeast	Midwest	South	West	Residential Brokerage	Commercial Brokerage	Less than 5 years	5 to 10 years	11 or more years
Capital Gains Exclusion on Principal Residence (1%)**	96%	95%	97%	94%	97%	96%	96%	96%	94%	93%	96%	98%
Mortgage Interest Deduction (1%)	95%	94%	96%	94%	95%	94%	95%	95%	91%	92%	96%	96%
Prevention of Abusive Lending Practices (0%)	89%	90%	88%	90%	90%	91%	86%	89%	81%	90%	89%	88%
Banks in Real Estate (5%)	87%	87%	87%	88%	86%	87%	86%	90%	87%	84%	89%	88%
Small Business Health Plans (0%)	85%	84%	87%	86%	85%	88%	80%	84%	89%	84%	84%	86%
Real Estate Transfer Taxes (6%)	82%	79%	89%	87%	79%	83%	81%	83%	75%	78%	83%	86%
Mortgage Market Credit Crunch (3%)	81%	79%	86%	80%	82%	80%	84%	81%	75%	79%	83%	82%
Data Security (3%)	80%	82%	77%	80%	79%	83%	78%	80%	77%	81%	81%	81%
Eminent Domain (6%)	77%	76%	79%	80%	75%	80%	73%	79%	73%	74%	79%	80%
FHA Loan Limit Increase (2%)	76%	74%	80%	72%	69%	77%	80%	78%	75%	74%	75%	79%
Water Resources and Water Quality (4%)	74%	77%	68%	73%	71%	78%	70%	74%	68%	77%	72%	73%
RESPA Reform (0%)	74%	75%	70%	71%	73%	75%	73%	74%	62%	76%	75%	71%
Appraisal Reform (1%)	73%	75%	70%	73%	75%	76%	70%	73%	69%	77%	69%	73%
Depreciation - Tenant Improvements (15%)	72%	71%	74%	71%	72%	71%	73%	72%	90%	69%	73%	73%
Private Transfer Fees (8%)	71%	69%	76%	70%	65%	71%	77%	71%	67%	68%	72%	74%
GSE Reform (9%)	71%	69%	77%	70%	65%	69%	78%	72%	63%	67%	73%	74%
National Flood Insurance Program (6%)	71%	70%	74%	75%	65%	78%	63%	71%	62%	70%	68%	73%
FHA Programs (1%)	70%	69%	72%	68%	70%	72%	69%	70%	59%	71%	70%	70%
National Disaster Policy (3%)	69%	69%	72%	73%	65%	74%	64%	70%	65%	67%	70%	73%
Mortgage Cancellation (7%)	69%	66%	74%	68%	64%	69%	71%	69%	80%	64%	68%	72%
Property Owner's Right to Pursue Takings Claim (35%)	62%	59%	67%	62%	62%	63%	61%	64%	79%	59%	58%	67%
Mortgage Modification in Bankruptcy (11%)	61%	62%	59%	58%	63%	64%	59%	61%	55%	62%	64%	60%
Carried Interest (29%)	59%	56%	64%	56%	55%	62%	58%	58%	75%	57%	57%	60%
Transportation (9%)	58%	60%	55%	57%	54%	59%	58%	58%	61%	59%	56%	57%
National Affordable Housing Trust Fund (9%)	55%	56%	54%	57%	49%	59%	52%	53%	40%	57%	53%	54%
Wetlands/Clean Water Act (19%)	49%	51%	46%	42%	46%	52%	51%	48%	54%	51%	45%	51%
Energy Efficiency and Climate Change Policy (6%)	49%	53%	41%	49%	46%	50%	48%	48%	43%	53%	48%	46%
Commercial Insurance Availability (35%)	45%	44%	49%	46%	36%	55%	36%	44%	61%	43%	42%	49%
Terrorism Insurance (10%)	45%	43%	48%	51%	43%	48%	38%	43%	69%	42%	45%	48%
Do Not Call/Fax/Email Regulations (1%)	42%	46%	35%	38%	39%	46%	42%	40%	41%	43%	43%	42%
Commercial Lending/Basel Capital Accords (39%)	42%	41%	45%	42%	36%	49%	37%	39%	59%	42%	41%	44%
Like-kind Exchanges/Exchange Accommodators (28%)	39%	38%	43%	38%	29%	41%	44%	40%	55%	35%	37%	44%
Federally Assisted Rental Housing Program (6%)	36%	39%	33%	40%	34%	38%	34%	34%	34%	41%	34%	34%
Immigration/Retirement Visa (13%)	29%	29%	28%	23%	25%	31%	31%	28%	31%	32%	26%	28%

**Percent of all REALTORS® unfamiliar with the issue and did not rate its importance

States in which at least 75% of REALTORS® Rated Each Policy Issue of "High Importance"

	Banks in Real Estate	Prevention of Abusive Lending Practices	Small Business Health Plans	Mortgage Market Credit Crunch	Data Security	FHA Loan Limit Increase	National Flood Insurance Program	National Disaster Policy	FHA Programs	GSE Reform	RESPA Reform	Mortgage Modification in Bankruptcy	Wetlands/Clean Water Act	Immigration/Retirement Visa	Energy Efficiency and Climate Change Policy
New England															
Connecticut	X	X	X	X	X	X	X	X		X					
Maine	X	X	X				X	X	X						
Massachusetts	X	X	X	X	X	X	X	X							
New Hampshire	X	X	X	X	X		X	X		X	X				
Rhode Island	X	X	X			X	X	X							
Vermont	X	X	X				X	X							
Middle Atlantic															
New Jersey	X	X	X	X	X	X		X							
New York	X	X	X	X	X		X								
Pennsylvania	X	X	X	X					X						
East North Central															
Illinois	X	X	X	X	X	X			X		X				
Indiana	X	X	X	X											
Michigan	X	X	X	X	X										
Ohio	X	X	X	X											
Wisconsin	X	X	X												
West North Central															
Iowa	X	X		X	X										
Kansas	X	X	X	X		X									
Minnesota	X	X	X	X	X				X						
Missouri	X	X	X	X	X										
Nebraska	X	X	X							X	X				
North Dakota	X	X	X	X						X	X				
South Dakota	X	X	X		X		X	X	X		X	X			
South Atlantic															
Delaware	X	X	X	X	X	X			X	X					
District of Columbia		X	X			X							X		
Florida	X	X	X	X	X		X	X							
Georgia	X	X	X	X	X	X			X						
Maryland	X	X	X	X	X	X	X			X					
North Carolina	X	X	X	X	X	X	X	X	X		X				
South Carolina	X	X	X	X	X	X	X	X							
Virginia	X	X	X	X	X	X	X	X		X					
West Virginia	X	X	X	X	X	X	X				X				
East South Central															
Alabama	X	X	X	X	X						X				
Kentucky	X	X	X	X	X	X			X						
Mississippi	X	X	X	X	X		X	X	X						
Tennessee	X	X	X		X										
West South Central															
Arkansas	X	X	X	X	X	X	X	X	X	X	X				
Louisiana	X	X	X	X	X	X	X	X		X					
Oklahoma	X	X	X												
Texas	X	X	X		X						X				
Mountain															
Arizona	X	X	X	X	X	X									
Colorado	X	X	X												
Idaho	X	X	X	X		X					X				
Montana	X	X	X	X	X	X				X					
Nevada	X	X	X	X	X	X			X		X				
New Mexico	X	X	X	X	X		X	X		X	X	X			
Utah	X	X	X	X	X	X									
Wyoming	X	X	X						X	X					
Pacific															
Alaska	X	X	X	X	X			X	X		X				
California	X	X	X	X	X	X				X					
Hawaii	X	X	X	X		X	X	X	X	X					
Oregon	X	X	X	X	X										
Washington	X	X	X			X									
Territories															
Guam	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Puerto Rico	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Virgin Islands	X		X		X		X	X				X	X	X	X

2008 NAR PUBLIC POLICY AGENDA SURVEY

Listed below are several federal policy issues that NAR is monitoring. Please indicate the importance of each issue as a priority for the 2008 NAR Public Policy Agenda.

"1" indicates the highest level of importance

"5" indicates the lowest level of importance.

If you don't know enough about a particular issue to form an opinion about its importance, please indicate that you are "Unfamiliar with this issue".

Keep in mind that we are asking for your views on the importance of each issue at the federal level, even though some states and localities may be addressing similar policy issues.

All responses will be confidential and only summaries of the survey results, where no individual responses can be identified, will be made available.

Highest level of importance					Lowest level of importance	
<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> Unfamiliar with this issue	

FINANCIAL SERVICES AND CONVENTIONAL LENDING

1. Banks in Real Estate

Continue to bar proposed federal rules that would allow national banks to engage in the commercial activities of real estate brokerage and property management.

2. Mortgage Market Credit Crunch

Support policies that alleviate or minimize the effects of the credit crunch on the availability of mortgage financing for residential and commercial properties.

3. Government Sponsored Enterprise (GSE) Reform

Support reforms to overhaul the regulatory oversight of the housing government-sponsored enterprises (GSEs) – Fannie Mae, Freddie Mac and the Federal Home Loan Bank system – and increase the maximum loan amounts that the GSEs can purchase in high-cost housing markets.

4. Prevention of Abusive Lending Practices

Support legislation and regulations to limit lenders' ability to take advantage of vulnerable borrowers by disregarding their ability to repay the loan, charging unjustifiably high interest rates and loan fees, using aggressive sales tactics, and advertising "teaser" interest rates that steeply increase in the future.

5. Appraisal Reform/Prohibitions Against Undue Influence on Appraisers

Prohibit mortgage originators from pressuring or improperly influencing appraisers to meet targeted values. Strengthen appraisal independence regulations.

6. Mortgage Modification in Bankruptcy

Consider whether bankruptcy judges should be given the authority to modify abusive mortgages for principal residences

BUSINESS ISSUES

7. Data Security

Consider establishment of security protocols to prevent breaches of databases containing sensitive personal information.

8. Real Estate Settlement Procedures Act (RESPA) Reform

Improve the Good Faith Estimate (GFE) to better display and explain settlement costs, enabling consumers to shop for the best and most appropriate mortgage.

9. Immigration/Retirement Visa

Consider revising current visa requirements to allow citizens of foreign countries to retire in the United States without regularly returning to their home country.

10. Small Business Health Plans

Support the availability of affordable health insurance for self-employed individuals and those who work for small firms.

11. Do Not Call/Email/Fax Regulations

Consider strengthening anti-solicitation regulations, like the federal Do-Not-Call and Do-Not-Fax rules.

COMMERCIAL POLICY

12. Commercial Real Estate Lending Guidelines / Basel Capital Accords

Consider changes to regulations governing how banks determine regulatory reserves and make commercial real estate loans.

13. Commercial Insurance Availability

Increase access to surplus and/or non-admitted lines of insurance. Provide relief to rising commercial insurance costs in coastal regions.

14. Like-kind Exchanges/Exchange Accommodators

Consider reforms that would create regulations and/or oversight of the accommodators and qualified intermediaries that facilitate like-kind exchanges.

TAX POLICY

15. Mortgage Interest Deduction

Protect the tax treatment of mortgage interest paid by homeowners.

16. Capital Gains Exclusion on Principal Residence

Protect the exclusion of capital gains from the sale of principal residences.

17. Depreciation – Tenant Improvements

Continue the tax treatment of improvements to leased properties in nonresidential buildings.

18. Carried Interest

Continue capital gains treatment for profits interest (carried interest) granted to general partners in real estate partnerships.

19. Mortgage Cancellation

Seek elimination of income tax on mortgage debts forgiven in short sales, foreclosures and workouts.

FEDERAL HOUSING POLICY

20. FHA Programs

Support federal mortgage insurance programs that provide prime financing for borrowers with less than perfect credit.

21. FHA Loan Limit Increase

Support higher FHA loan limits to permit use of FHA mortgage insurance in high-cost areas.

22. National Affordable Housing Trust Fund

Support establishment of a national trust to develop, revitalize and preserve affordable housing that is funded independently from the federal appropriation process.

23. Federally Assisted Rental Housing Program

Support federal programs that provide rental assistance to families through vouchers or other assistance.

STATE AND LOCAL POLICY

24. Eminent Domain

Address recent legal rulings that allow non-blighted property to be taken from one private owner and given to another private owner in furtherance of a "public purpose."

25. Transportation

Seek provisions in federal transportation spending programs that support smart growth.

26. Real Estate Transfer Taxes

Address recent attempts by states/cities to adopt transfer taxes or raise existing ones.

27. Private Transfer Fees

Address trend of homeowner associations adding covenants requiring a payment to the HOA when property is sold. Address attempts by individuals to secure right to a payment on all future transfers via deed restriction.

PROPERTY RIGHT AND ENVIRONMENTAL POLICY

28. Energy Efficiency and Climate Change Policy

Consider legislation to improve energy efficiency in all sectors of the economy that likely would raise the cost of constructing and operating buildings and homes as part of a comprehensive plan to address climate change.

29. Property Owner's Right to Pursue Takings Claims

Consider giving property owners authority to directly pursue a Fifth Amendment "takings" claim in federal court.

30. Wetlands/Clean Water Act

Consider proposal to broaden the scope of the Clean Water Act by deleting the word "navigable" from the Clean Water Act, resulting in increased regulations and permitting for development on all U.S. waterways, including small streams and isolated wetlands.

31. Water Resources and Water Quality

Consider proposals to ensure that the water resources available to a community are of the highest quality for consumption and recreation.

INSURANCE

32. Terrorism Insurance

Support insurance coverage for losses stemming from a terrorist attack and extension of the federal terrorism insurance backstop program.

33. National Disaster Policy

Support a comprehensive natural disaster policy that ensures insurance is available and affordable for residential and commercial properties, promotes mitigation and personal responsibility, and requires government at all levels to adequately build and maintain infrastructure (e.g. levees, dams, bridges).

34. National Flood Insurance Program (NFIP)

Support extension of the NFIP, which helps protect property owners in more than 20,000 communities. NFIP will expire in September 2008, unless Congress acts to extend the program.

35. Are there other federal policy issues that you believe are important for NAR to consider?

36. Please indicate which of the following positions, if any, you currently hold (check all that apply):

- State or Local REALTOR® Association President
- State or Local REALTOR® Association Executive Officer
- State or Local REALTOR® Association Government Affairs Director (GAD)
- State or Local REALTOR® Association Committee Chair, Vice Chair or Committee Member
- NAR Regional Vice President
- NAR Affiliate or Diversity Partner Member
- NAR Committee or Forum Chair, Vice Chair or Committee Member
- NAR Board of Directors Member
- None of these

37. Please describe your primary area of real estate business activity (check only one):

- REALTOR® Association Staff
- Appraisal
- Brokerage: Residential only
- Brokerage: Mostly residential but also commercial
- Brokerage: Mostly commercial but also residential
- Brokerage: Commercial only
- Property Management
- Other areas of real estate

38. For how long have you been active in the real estate business as a REALTOR®?

- Less than 1 year
- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
- 6 to 10 years
- 11 or more years
- Not Applicable

39. In which state does most of your real estate business activity occur?