



NATIONAL
ASSOCIATION *of*
REALTORS®

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To: All REALTORS®

From: Vicki Cox Golder, 2010 NAR President
Ron Phipps, 2010 NAR President-Elect

Date: October 12, 2010

Re: NAR Update: Foreclosures and Bank Meetings

Dear fellow REALTOR®,

Recently, there have been widespread reports of problems related to foreclosures. NAR has sent a letter to regulators expressing our concerns. We also have posted articles and talking points to help you answer questions from consumers and the media. Please visit Realtor.org/foreclosure for the latest developments and additional information.

On a separate note, the NAR Leadership Team has held several meetings during the past two months with the heads of major national banks to discuss problems with short sales and the availability of credit to potential buyers. Our position has always been that we want to help homeowners avoid foreclosure, whenever possible.

Below is a summary of the issues we have asked lenders to address. We also have posted a detailed report for your review on Realtor.org.

http://www.realtor.org/wps/wcm/connect/25887900443d5457b84ef934cafa6d66/gov_aff_bank_meetings.pdf?MOD=AJPERES&CAC

Although we feel the banks have made some progress, it is clear that much still needs to be done. We will be meeting with Chase later this month, and those discussions will focus on the problems with foreclosures and short sales. You can help our efforts by sharing your experiences with NAR via e-mail at HAF@realtors.org.

We thank you for your continued work on behalf of homebuyers and homeowners, and we look forward to seeing all of you in New Orleans this November.

Sincerely,



Vicki Cox Golder, CRB
GREEN, e-PRO
2010 NAR President



Ron Phipps, ABR, CRS, GRI,
2010 NAR President-Elect

SUMMARY OF BANK MEETINGS

In each meeting, lenders and REALTORS® have agreed to work in the following areas:

Transparency

REALTORS® need to understand each lender's policies for underwriting loans, valuing property, selecting brokers for REO listings, and deciding whether to approve a short sale.

Service

Having a single point of contact is extremely important to improve service to the borrower, short seller, and the real estate agent. NAR is urging all lenders to adopt this approach.

Balance

FHA and the government sponsored enterprises (GSEs: Fannie Mae and Freddie Mac) have become over-focused on safety at the expense of their mission. NAR urges lenders to advocate a return to a reasonable center, now that credit policies have over-corrected.

Speed

When a borrower applies for a loan and receives a conditional approval, the conditions are often impossible to meet. It would be better to decline the loan and allow all parties to move on. Short sale approvals often take months. HAF and other short sales programs should be implemented quickly.


Accuracy

Lenders are aware that problems related to the application of new appraisal guidelines have skewed some appraisals. NAR continues to raise these issues with the lenders, regulators, FHA, and the GSEs and seek solutions.

Performance/Compensation

Real estate professionals work extremely hard and for many months on a successful short sale. NAR urges lenders to make commissions policies more transparent and to agree not to reduce commissions at or shortly before closing. At the same time, NAR acknowledges that lenders waste time processing short sales that are not real offers, and we urge our members not to participate in this practice.

Lenders also are monitoring performance of REO listing brokers and will take steps to resolve problems.



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