

# NAR Mid-Year Legislative Meetings

## NAR Insurance Committee

Speaker Director David Stearrett, Office of the Flood Insurance Advocate. Created under the Flood Insurance Affordability Act (2012) and championed by NAR to assist property owners with their flood mapping and insurance rating concerns. Made permanent office in June 2015, but struggled to get any traction with ridiculously small staff. Staff is increasing later this year. In charge of advocacy, mapping, flood plain management, mitigation. When consumer contacts them, first direct them to existing resources. If those do not solve, comes back to advocate. If necessary, can escalate to head of NFIP or FEMA head Craig Fugate. Challenges: lack of good actionable data, increased cost of compliance, onerous surcharges, how programs issue refunds when error is found, flood proofing credit.

Clarified that flood insurance rates will continue to be based on the current years' risk, not on future sea level projections.

Can contact by email: [insurance-advocate@fema.dhs.gov](mailto:insurance-advocate@fema.dhs.gov)

The committee also received reports on broader legislative and regulatory efforts to reauthorize (expires Sept 30, 2017) and reform NFIP and establish additional forward-looking federal public policies towards earthquakes, hurricanes and other disasters in addition to flooding. One of their workgroups is working hard to address NFIP affordability without another act of Congress. Also have identified several existing flood mapping and mitigation grant programs at FEMA that could be redirected to reduce flood risk to properties and keep flood insurance rates affordable.

## NAR 360

Exciting announcement: NAR has built an advocacy program with CONSUMERS. They have created a database of 7.5 million consumers nationwide and have been emailing that database for past year and a half. Requested signatures on petition re: keeping our home tax deductions. Had 900,000 respondents. During our Hill visits, our key contact gave each Congressman/Senator a data stick with NAR's database for their congressional district or state.

NAR has further created a website for homeowners to go for public policy updates: [www.homeownershipmatters.realtor/](http://www.homeownershipmatters.realtor/). Please check it out and pass on to your database. I shared with mine via Facebook.

## Bob Woodward "Race to the White House"

Shared a great story about cold calling on a general in connection with a story he was writing. Said after dinner and weekends best time. This visit was 8:30 on Tuesday night. General was not pleased. His tips that would apply to us as Realtors: "Let the silence suck out the truth" and "Show UP!"

## Field Trip:

FHFA Federal Housing Finance Agency – welcome Director Mel Watt

Alfred Pollard, General Counsel

- Systemic event – collapse of housing lead regulators to look at all parties involved – lenders, realtors, appraisers...
- Conservatorship GSE's (Fannie & Freddie) for 8 years – initiatives
  - More attention to rural areas
  - More attention to appraisals – quality, availability, independence
  - Vacant and abandoned properties – big fan of neighborhood solutions
  - Accelerated foreclosures
- Challenges
  - Law in time of change
  - Business forms and models
  - Losing sight of

## Sandra Thompson, Deputy Director Division of Housing Mission & Goals

New products enterprises (Fannie, Freddie) have designed for consumers:

- Principal reduction modification program – loan delinquent 90 days in June 2015, unpaid balance \$200K or less, LTD under 115%
- 97 product – mortgages between 95/97% Home Ready – can consider income from non-household relatives. Not for low income people, but for first time home buyer.

**Consumer Finance Protection Bureau CFPB** – a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

Richard Cordray, Director

Congress directed that 7 new rules be put into place under Dodd Frank

- QM rule (Qualified Mortgage)
- No doc loans
- Teaser rates
- Mortgage servicing rules
- And 3 others

**TRID** = hybrid of RESPA and TILA (Truth in Lending) – integrated disclosure rules came after the original 7

A lot of Q & A – Main concern – why are Realtors not being provided with copies of the CD prior to closing so we can check for accuracy. Director Cordray said there was nothing in TRID rules that did not allow. Will put out a clarification to lenders that realtors can be provided with CD prior to closing.

Note:

FL Realtors NEW form: Effective June 1, the Authorization to Furnish TILA-RESPA Disclosures (TRID) will be available. If signed by a customer, this form allows the agent to receive certain closing documents/settlement statements.

## Hill visits – talking points

At the Realtor Party Membership Involvement Committee meeting I attended, one of our speakers said to achieve success in advocacy: “Don’t want to be a screaming monkey with Congress, need to be a roaring lion.” Well, we were 9000 strong in Washington DC and we roared like lions.

I met with Congressmen Vern Buchanan, Sarasota County, and Tom Rooney (Charlotte County and more). Kevin Hyde, EABOR President elect, met with Curt Clawson, whose district includes Boca Grande. All were very productive meetings.

Our 4 main talking points included support for:

- Flood Insurance Market Parity & Modernization Act – the Ross Murphy bill – Dennis Ross (R-FL) and Patrick Murphy (D-FL). Encourages development of private market options in addition to NFIP. Also, eliminates gap of continuous coverage if leave FEMA to private market policy and then return to FEMA, as has been the case. Thanked House for their support, where the measure unanimously passed. Urged swift Senate consideration.
- Open Access to Condominiums bill, which House unanimously passed:
  - reduces FHA condo occupancy ratio to 35% (presently 50%)
  - Directs FHA to streamline condo recertification process
  - Provides more flexibility for mixed use buildings (currently limits commercial space to 25% of project, which includes parking garages)
  - Allows transfer fees, which are presently prohibited.
- Bill to ensure that qualified borrowers have access to affordable mortgage financing that prohibits guarantee fees (G fees) from being extended, increased, or diverted for unrelated spending in the future. Bills in both house and Senate have been introduced that will prohibit the increase and use of G-fees as offsets. This is in response to measure in 2015 that would have increased G-fees to be used in funding the transportation reauthorization bill last year (which we were able to remove from the final bill).
- Real estate related tax policies may be back on the table under the new administration and Congress next year. These might include measures impacting the mortgage interest deduction, especially second homes, property tax deduction, and 1031 like-kind exchange tax deferral. We reminded our members of Congress and their staffs how vital real estate tax provisions are to the housing market and U.S. economy.

## Lawrence Yun Residential Issues & Trends

- Still suffering from lack of inventory
- Prices rising
- inflation if you take out gas prices.
- My question re: impact of election on sales of second/retirement homes. He said normally does not, but this year is different. Also, pointed out impact of volatile stock market as being a factor.

Elizabeth Warren – sponsoring bill to allow students to refi student loan debt. Crushing debt payments preclude buying homes. NAR directors voted to support.

## Member CRS Work Group, FL Realtors Insurance Subcommittee of Public Policy

I met with Claire Jubb, CC Director of Community Development re: new FIRM mapping for FEMA and NFIP Community Rating System (CRS). Members of the work group are gathering best practices of communities with high CRS ratings. There are 80 municipalities or counties that presently are not rated. Our goal is to provide them with the information they need to get on board with this program.

FEMA is currently working on updated maps of Charlotte County coastal areas. Should be completed later this year.

In 2015, addition of elevation certificates available through the CCGIS sites – homes built after 1992 for the most part. [www.ccgis.com](http://www.ccgis.com)

- *Enter mapping site, type in address, select layers and check Certificate of Elevation, click circle with I, click all visible layers, click on property, dialogue box pops up with link to elevation certificate at bottom*

Due to floodplain manager's work and CCGIS, ICharlotte county is #7 in state for amount of money residents saved on flood insurance premiums because of our high CRS rating.

- Open Space is 50% of the Special Flood Hazard Area as much of county is preserve land – our excellent GIS mapping made this calculation possible (1000 pts)
- Flood warning program
- Community outreach
- GIS map information

Community Name	County	Current CRS Class	Current CRS Discount
Miami-Dade County	Miami-Dade	5	\$ 18,243,683.00
Lee County	Lee	5	\$ 15,145,307.00
Collier County	Collier	5	\$ 8,072,326.00
St. Petersburg	Pinellas	6	\$ 7,730,038.00
Sarasota County	Sarasota	5	\$ 7,092,421.00
Cape Coral	Lee	5	\$ 6,523,239.00
Charlotte County	Charlotte	5	\$ 6,030,401.00
Hillsborough County	Hillsborough	5	\$ 5,900,755.00
Miami Beach	Miami-Dade	6	\$ 5,896,274.00
Pinellas County	Pinellas	5	\$ 5,363,551.00
Tampa	Hillsborough	6	\$ 4,682,311.00
Palm Beach County	Palm Beach	5	\$ 4,289,636.00
Pasco County	Pasco	6	\$ 3,789,268.00

Naples	Collier	5	\$ 3,289,151.00
--------	---------	---	--------------------