

NEWSBRIEF: LEGISLATIVE UPDATE

You Can Help Us.

by Dave Corsi, MREIA Legislative Awareness Chair



There are two issues you should be concerned about: the status of the Installment Sale Tax Bill” and HR1728.

We are continuing to work with the administrative aides of members of Congress in order to garner support for the Installment Sale Bill. **Our efforts have been rewarded!** The Installment Sale Tax Bill will be introduced in the House Ways and Means Committee as soon as Congress returns from the July 4th recess. Once introduced, we at MREIA, along with other real estate investment clubs throughout the country, will be alerting members to contact their legislators to urge support of this legislation. The bill has received support from the mortgage banker industry and construction trades among others.

In this era of bad news, stimulus packages, etc., passage of this Bill will have a great positive impact on our industry and the nation.

However, HR 1728, known as the “Mortgage Reform and Anti-Predatory Lending Act,” which passed the House on May 7, 2009, should get your attention. To put it succinctly, HR 1728, as written, would further damage the real estate industry and the credit markets. We are particularly concerned with Section 101 (3)(E):

- Reduces the ability of sellers to sell and buyers with damaged credit to buy a home.
- Usurps the right of a property owner to negotiate terms and sell more than one property every 36 months.
- Penalizes older taxpayers who chose to invest in real estate rather than the stock market as a way of securing their financial future and supplement their retirement.
- Will negatively impact millions of American families who may no longer be able to purchase a home because of decreased buying power or an inability to meet a banks' credit, deposit, or job history. There are many self employed individuals in the US that don't meet traditional lending guidelines who pay their bills and pay their taxes but whose credit does not look good on paper. H.R. 1728 denies them access to homeownership.
- Imposes stringent requirements on mortgage brokers, servicers and appraisers.

Results: Along with negating the Installment Sale legislation, credit markets will contract, and the ability to finance property will be greatly diminished. It appears many mortgage brokers and appraisers will be out of business.

The bill is up for consideration by the Senate. Most likely the bill will come in through the committee chaired by NJ Senator Robert Menendez 202-224-4744 email: menendez.senate.gov/contact/index1.cfm

We urge you to contact Senator Robert Menendez to voice your opposition.

It would also be desirable to contact New Jersey's other Senator, Frank Lautenberg: 202-223-3224 email: lautenberg.senate.gov/contact/contact.cfm

Ultimately it is up to us to contact members of Congress. Please do not underestimate the importance of letting them know your views. For further information about HR1728, visit the home page of www.mreia.com

Dave Corsi is a Past President of MREIA and has made presentations at MREIA meetings and the Learning Annex. Currently he is the Vice President of our state organization, the NJ Association of Real Estate Professionals.