

## -TOP 10 NAHB ACTIONS TO BENEFIT OUR MEMBERS IN THE PAST MONTH-

### **1. In June, NAHB rolled out the results of a nationwide poll that we commissioned by two of the nation's leading pollsters. The findings overwhelmingly confirm the continued strong value that Americans place on homeownership, and the fact that voters are more inclined to support candidates who embrace pro-housing policies.**

The survey, which reached 2,000 likely voters from May 3-9 of this year, was conducted by two of the most recognized polling firms in the country. Results verified the high priority that U.S. voters continue to place on homeownership and housing choice as key components of the American Dream — even amidst the struggles of today's housing market. Building on those results, NAHB held two media teleconferences in June to reveal the survey findings and get the word out that some of the changes that have been proposed to the nation's housing policy in recent months – which would make it much tougher for a typical family to purchase a home – are in direct conflict with Americans' views and priorities. Highlights of the poll results include the following:

\* 73% of respondents (owners and renters) believe the federal government should provide tax incentives to promote homeownership. This includes 79% of Democrats, 71% of Republicans and 68% of Independents.

\* 76% of respondents in states identified as having "key Senate races," 75% of those in areas that are "swing House districts," 75% who are in presidential swing states and 71% who reside in GOP House freshman districts voiced their support for the federal government to provide tax incentives to encourage homeownership.

\* 71% of voters oppose proposals to eliminate the mortgage interest deduction, and 63% oppose efforts to reduce it. A majority are also against eliminating the deduction for interest paid on home equity loans, ending the deduction for interest paid on a second home, limiting the deduction for those earning more than \$250,000 per year, or capping the deduction for home owners with mortgages over \$500,000.

\*By a more than two-to-one margin (57% to 26%), voters said they would be less likely to vote for a candidate who supports eliminating the mortgage interest deduction -- including 63% of Republicans, 56% of Independents, 55% of Democrats and 61% of tea party supporters.

These and other findings show just how out of touch some politicians and policymakers have become with the American public as they push for such actions as elimination or reduction of the mortgage interest deduction, withdrawal of government support for the housing finance system and overly stringent lending requirements that price creditworthy buyers out of the market. NAHB is providing details of the poll to lawmakers on Capitol Hill, to the media and to HBAs for their use going forward. We also plan to use the poll results to help make housing a priority subject in the upcoming campaign season. NAHB members who are logged in to the NAHB website can access full results of the poll along with resources such as a fact sheet and talking points at [www.nahb.org/pollresources](http://www.nahb.org/pollresources). Contact: Blake Smith (800-368-5242, x8583)

### **2. NAHB is part of an industry and consumer coalition that, along with 325 House and Senate lawmakers, is calling on federal regulators to revise a proposed 20 percent down payment requirement for Qualified Residential Mortgages.**

At a special news conference on June 22, Senators Johnny Isakson (R-Ga.) and Kay Hagan (D-N.C.) and Representatives John Campbell (R-Calif.) and Brad Sherman (D-Calif.)

expressed the views of a group of more than 325 of their colleagues in Congress when they publicly called on federal regulators to revise a proposed 20% down payment requirement for Qualified Residential Mortgages (QRM). The lawmakers were joined by members of the Coalition for Sensible Housing Policy, which includes more than 40 consumer and industry groups as well as NAHB; our CEO, Jerry Howard, was on hand for the press conference along with representatives from our coalition partners. Noting that the proposed rule would shut out responsible home buyers and further cripple the housing market, the lawmakers in attendance said that in promulgating the rule, regulators "did not follow our legislative intent" in crafting the Dodd-Frank Act. Sen. Hagan also noted that "The proposed rule runs counter to the commonsense, bipartisan provision that Senators Landrieu, Isakson and I included in the Dodd-Frank Act last year. This misinterpretation of our intent could unnecessarily slow the housing market's recovery, and prevent well-qualified, middle class families from securing an affordable mortgage. We are urging regulators to go back to the drafting table."

Coinciding with the news conference, joint letters from 44 Senators and 282 members of the House of Representatives have been sent to the banking regulators. Senate co-signers called the proposed QRM regulation "unduly narrow" and reiterated that "well underwritten loans, regardless of down payment, were not the cause of the mortgage crisis." Meanwhile, House members argued that the proposed QRM "would particularly harm first-time and minority home buyers," and urged regulators "to consider lower down payment loans that have mortgage insurance as constituting a QRM." Federal regulators recently extended the comment period for the 20% down payment rule until Aug. 1, 2011. Contact: Jessica Lynch (800-368-5242, x8401)

**3. In response to concerns raised by NAHB at a meeting between representatives of our respective leadership, OSHA announced a 90-day phase-in for fall protection regulations.**

In a June 8 letter to NAHB, Dr. David Michaels, Assistant Secretary of Labor for OSHA, announced a three month phase-in period to allow residential construction companies additional time to come into compliance with the Agency's new directive *Compliance Guidance for Residential Construction* (STD 03-11-002). This decision followed a meeting with OSHA in which NAHB First Vice Chairman Barry Rutenberg and Dean Mon, Chairman of NAHB's Construction Safety and Health Committee, argued that builders need additional time to fully understand the steps that must be taken and to properly plan for the fall protection change. NAHB also stressed that there is a continued need for more fall protection training and compliance assistance for residential construction employers. (continued) OSHA's field staff have now been instructed that for the first three months in which the new directive is in effect, the agency will not issue fall protection citations to home builders who are using the protective measures in the old residential construction fall protection directive (STD 03-00-001). Instead, where necessary, OSHA will issue a hazard alert letter informing the builder of the feasible methods that can be used to comply with OSHA's fall protection standard or the need for a written fall protection plan to be implemented. If the builder's

practices do not meet the minimum requirements set in the old directive — or if a company fails to implement the fall protection measures outlined in a hazard alert letter and during a subsequent inspection OSHA should find violations involving the same hazards — the agency will at that time issue a citation. The three month phase-in period runs from June 16 to September 15, 2011. Contact: Rob Matuga (800-368-5242, x8507)

**4. As Congress looks into mandating E-Verify – a voluntary Internet-based system that allows businesses to determine the eligibility of their employees to work in the U.S. – lawmakers need to ensure that this is a fair, efficient and workable system, NAHB First Vice Chairman Barry Rutenberg told Congress on June 15.**

Testifying before the House Judiciary Committee's Subcommittee on Immigration Policy and Enforcement on the "Legal Workforce Act," Barry also stressed that the E-Verify system should not be the only effort that Congress pursues toward achieving immigration reform. "E-Verify may be a first step, but it should not be the only step," Barry said. "It is vitally important that Congress continue to work towards a revision and improvement of the nation's broken immigration and visa systems, and to seek a pathway for workers to legally enter the United States when the economy needs them." Barry noted that NAHB strongly believes that the E-Verify program must continue to focus on the direct employer-employee relationship, holding every U.S. employer accountable for the identity and work authorization status of their direct employees.

Under current law, employers are responsible for verification of the identity and work authorization status of their direct employees only. While employers do not verify the employees of subcontractors, they are precluded from knowingly using unauthorized subcontracted workers as a means of circumventing immigration law. Said Barry, "The draft legislation maintains current law in this matter, and NAHB strongly supports that decision." Contact: Jenna Hamilton (800-368-5242, x8407).

**5. NAHB has asked the House Committee on Small Business to convene a panel to discuss the failure of the Lead Renovation, Repair and Painting Rule, citing its excessive regulatory burdens and costs.**

“With the new home construction market still at historic lows, the effort to find work in retrofitting and upgrading older housing (remodeling) has been attractive to many unemployed builders,” NAHB said in a letter to committee members. “Unfortunately, recent amendments and changes to the rule have further constrained small businesses in the remodeling industry that are making every effort to comply” with a regulation that the Environmental Protection Agency has made “cumbersome, burdensome and as inordinately difficult as possible.” We noted that, without better oversight on how the EPA is implementing, managing, assessing costs and enforcing the RRP, this rule could easily derail the small business remodeling firms that are complying by placing them at a comparative disadvantage to uncertified, untrained contractors and home owners who blatantly do not, or are not required to, comply.” Our letter also reiterated NAHB’s serious concerns with the removal of the rule’s “opt-out” provision, which enabled owners of homes built before 1978 to forgo some of the more expensive requirements if there were no children under the age of six or a pregnant woman in the household. This would apply to 88.5% of all homes. “NAHB members worked closely with the EPA during the development of the original RRP and had hoped that it could be implemented as finalized, and help promote healthy, lead-safe renovation work. Unfortunately, the EPA is redesigning the RRP into a regulatory nightmare that will essentially discourage critical efficiency upgrades and increase costs for older homes,” NAHB said. For assistance in complying with the rule, visit [www.nahb.org/leadpaint](http://www.nahb.org/leadpaint). Contact: Matt Watkins (800-368-5242, x8327)

## **6. NAHB has developed member resources to assist remodelers with lead rule compliance.**

With the EPA now stepping up inspections and enforcement actions on contractors working in residences subject to the Lead: Renovation, Repair and Painting rule, NAHB has developed members-only resources to help remodelers with lead rule compliance. Remodelers working in pre-1978 homes must comply with the rule — which includes becoming an EPA-certified renovator and following the lead-safe work practices required under the regulation — or risk fines of as much as \$37,500 per violation per day and litigation. All contractors — remodelers, HVAC contractors, window replacement specialists, etc. — working in pre-1978 housing units where painted surfaces are disturbed, must understand the requirements of the lead rule and be able to demonstrate compliance to an EPA inspector. NAHB has learned that inspectors are requesting three years of records from firms under investigation. These records include: signed copies of EPA’s Pre-Renovation Disclosure Form; a copy of “Firm Certification” by the EPA or an EPA-delegated state; a copy of the “Certified Renovator Certificate,” and a copy of the certified renovator’s report for each job subject to the lead rule. (continued)

Members-only resources can be found at [\*\*www.nahb.org/leadcompliance\*\*](http://www.nahb.org/leadcompliance). These include a sample compliance checklist, sample contract language, a pre-renovation disclosure form, a sample record-keeping checklist, and more. Contact: Matt Watkins (800-368-5242 x8327)

**7. NAHB is part of a coalition of 20 business organizations that are challenging EPA's regulation of greenhouse gases in the courts.**

On June 20, a coalition of 20 business organizations including NAHB filed the fourth in a series of briefs challenging the regulation of greenhouse gases by the EPA. The legal briefs have been in response to a series of EPA-initiated rules, which have led to the unreasonable regulation of stationary sources of greenhouse gas emissions. If left unchecked, the coalition has warned, these EPA mandates will have a crippling impact on manufacturers and could even result in the regulation of millions of stationary sources — from small businesses to hospitals and schools. For more information on NAHB's role in the litigation, contact Holli Feichko at 800-368-5242, x8335.

**8. Custom home builder and NAHB member Tony Crasi testified before the Senate Energy and Natural Resources Committee on June 9 to urge that, as lawmakers consider a suite of energy efficiency bills, they take into account the differences in energy savings between the newest, highest-performing homes and older, less-efficient homes that comprise the vast majority of the nation's housing stock.**

Speaking on behalf of the nation's home builders regarding The Energy Savings and Industrial Competitiveness Act of 2011 (S. 1000), the Akron, Ohio-based builder advocated for "an effective retrofit plan for older, less-efficient housing that allows builders and remodelers to create the benefits of energy efficiency for all housing." Tony pointed out that over the past two decades, NAHB has played a leading role in developing, promoting and encouraging the growth of residential green and energy-efficient construction — and that the introduction of modern energy codes in the early 1990s has significantly improved the efficiency of new homes. NAHB fully supports efforts to incentivize retrofitting the oldest, least-efficient housing and believes a national energy policy priority must include provisions that seek to save the energy lost in older homes and buildings. "Without meaningful incentives to retrofit the millions of less-efficient existing homes, true energy savings in the residential sector will never materialize," Tony said. "NAHB encourages a national policy that directs limited federal resources to the biggest source of energy loss in the real estate sector: older homes and buildings." Contact: Elizabeth Odina (800-368-5242, x8570)

**9. On October 1<sup>st</sup>, some mortgage loan limits for the government-sponsored enterprises Fannie Mae and Freddie Mac and the Federal Housing Administration will drop from their current temporary levels to reduced limits based on permanent criteria established by Congress in 2008. A new study by NAHB presents estimates of the impacts of these changes in affected counties across the 50 states and Washington, D.C.**

In all, the scheduled declines in GSE loan limits will affect 204 counties that contain 1.38 million owner-occupied homes in the affected price ranges. The effects of the scheduled declines for FHA limits are even more expansive; these will be felt across 620 counties, adding 3.87 million homes to those outside the temporary loan limits. Affected homes, if they were to be placed on the for-sale market, would likely require financing with higher mortgage interest rates and other less favorable loan terms, such as higher required down payments and more stringent credit history thresholds. This would reduce housing demand and place downward pressure on prices. A good summary of the report is available on NAHB's Eye on Housing blog, and you can access the full study on HousingEconomics.com. For more information, contact authors Robert Dietz (800-368-5242, x8285) and Natalia Siniavskaia (x8441).

**10. The NAHB Executive Board recently approved Legal Action Fund grants to assist two of our state HBAs in challenging overreaching endangered species regulations and excessive building permitting fees.**

Cases approved for NAHB assistance involve the following:

- 1) The New York State Builders Association is drafting an *amicus* brief in support of a challenge by the business community that the New York Department of Environmental Conservation has exceeded its authority and expanded its protections of endangered species without taking into account the impact on small businesses. The HBA sought financial assistance and *amicus* support for the brief; NAHB has agreed to provide funding and to join the association in the brief.
- 2) The Michigan Association of Home Builders is challenging the excessive costs of a municipality's building permit fees, which exceed the actual cost of running the department. The municipality privatized its department with the stated goal of making a profit from the fees. The HBA sought financial assistance for the litigation; NAHB has agreed to provide funding for the case as it proceeds to trial.

NAHB created the Legal Action Fund to ease the burden on members and HBAs who pursue expensive and time-consuming cases involving nationally significant issues or legal matters commonly faced by builders and developers. The Legal Action Committee reviews applications for grants three times a year in conjunction with NAHB Board of Directors meetings. Applications for consideration at the upcoming Fall Board of Directors Meeting in Milwaukee this September are now available and due by Thursday, Aug. 25. Contact Christopher Whitcomb at 800-368-5242, x8329.