



PRESS RELEASE

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Bus Tour Brings Home Ownership Matters to Tucson

Tucson, AZ. – (October 18, 2011) -- Future home buyers across Arizona may soon be required to have at least a twenty percent down payment saved before they can purchase a home. That's just one of the many issues the National Association of REALTORS® and the Tucson Association of REALTORS® (TAR) wants Tucson residents to know about as the Home Ownership Matters Bus Tour pulls into town on Friday, October 21st.

“Home ownership is under attack, and we want to make sure that people understand what's at stake,” said Jill Knox, president of TAR. “Whether you own a home today or want to own a home someday, it's important for all of us to engage on these issues right now. With this bus tour, REALTORS® hope to give people the opportunity and the resources to make their voices heard.”

The Home Ownership Matters Bus Tour will be at P.F. Changs, 1805 E. River Rd., Friday, October 21st, from 8am to 10am. Members of the public can meet with REALTOR® leaders and local officials to discuss their concerns and learn more about the issues that may affect their ability to buy, sell or own a home in the future.

Some public policy makers are considering changes to the mortgage interest deduction that could cost Tucson homeowners thousands of dollars every year. Last year, nearly 800,000 tax filers in Arizona claimed the Mortgage Interest Deduction (MID) and those homeowners took an average of nearly \$14,000 in mortgage interest deductions. The money they saved as a result of this benefit could be put into savings, applied toward college tuitions, or simply used to pay down other bills.

“It’s ridiculous to say that the MID is suddenly part of the deficit problem when the deduction has been part of the federal tax code for nearly 100 years,” said Knox. “Reducing or eliminating the MID will deliberately impede access to purchasing a home and swing the door shut on the American dream for many families in our community.”

On September 30, 2011, Congress allowed FHA loan limits to revert to 115 percent of an area’s median home price, down from a current 125 percent. In some parts of Arizona, reverting to lower loan limits would reduce FHA loan amounts by more than \$100,000. That means that buyers who need mortgages for more than \$271,050 in most of the state could be forced into the jumbo market, which means they’d be paying higher interest rates. That’s more money for the bank and less in their pockets.

“The National Association of REALTORS® estimates that as many as 10 percent of current buyers will face unnecessarily higher mortgage rates as a result of these lower loan limits,” said Knox. “Home owners could also have a tougher time selling their homes because there would be fewer buyers who qualify to purchase those properties. REALTORS® are working closely with members of Congress and a coalition of industry partners to have the higher loan limits reinstated as soon as possible, because we want to make sure that homeownership is more affordable and accessible for hard-working families across America.”

If some regulators get their way, many future borrowers may have to come up with a 20-percent down payment under a proposed Qualified Residential Mortgage rule. Borrowers with less than 20 percent down would have to choose between higher fees and rates – up to 3 percentage points more – or a 9-14 year delay while they save up the necessary down payment.

According to the recently released *2011 National Housing Pulse Survey*, 51 percent of self-described “working class” home owners reported that a 20 percent down payment would have prevented them from achieving their dreams of home ownership.

“NAR estimates that it would take 14 years for the typical American family to save enough money for a 20 percent down payment,” said Knox. “Strong evidence shows that responsible lending standards and ensuring a borrower’s ability to repay have the greatest impact on reducing lender risk, and not high down payments.”

Ongoing news and information for the tour will be posted on HouseLogic at www.houselogic.com/bus. HouseLogic is a free source of information from NAR that helps home owners maintain and enhance the value of their homes and engage in issues that affect their local communities.

The Tucson Association of REALTORS® is the largest trade association in Southern Arizona, representing the interests of over 5,000 professionals in the real estate industry. REALTOR® is a collective membership mark that may only be used by members of the National Association of REALTORS®.

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