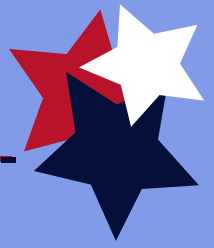




The REALTOR® Association of Greater Fort Lauderdale, Inc.

-2008 Housing & Recovery Act-

How it Affects You!



The '2008 Housing and Economic Recovery Act', passed by Congress and signed into law by President Bush, contains many important provisions to bring stability to the housing market and help America's buyers and owners.



Key Components Include:

Homebuyer Tax Credit - \$7500 tax credit available for any qualified purchase between April 8, 2008 and June 30, 2009. The credit is repayable over 15 years (making it, in effect, an interest free loan).

FHA Foreclosure Rescue – Lenders write down problematic subprime loans to 85% of the current appraised value. Borrowers get a new FHA 30-year fixed mortgage at 90% of appraised value, and share 50% of all future appreciation with FHA. The national limit for this program is \$550,440. It takes effect on October 1, 2008.

FHA Reform – Permanent FHA loan limits at the greater of \$271,050 or 115% of local area median home price, capped at \$625,500; streamlined processing for FHA condos; reforms to the HECM and FHA manufactured housing program; prohibits the FHA from using risk-based pricing for one year. Most of these reforms are effective immediately, but the loan limits will not go into effect until the expiration of the Economic Stimulus limits, which is December 31, 2008.

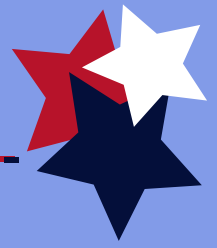
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GSE Reform – A strong independent regulator, and permanent conforming loan limits up to the greater of \$417,000 or 115% local area median home price, capped at \$625,500. The Treasury Department is authorized to make loans and buy stock from the GSEs to ensure the solvency of Freddie Mac and Fannie Mae. These reforms are effective immediately, but the loan limits will not go into effect until the expiration of the Economic Stimulus limits, which is December 31, 2008.

National Affordable Housing Trust Fund – Develops a Trust Fund funded by a percentage of profits from the GSEs. The Trust Fund will initially cover costs of any defaulted loans in FHA foreclosure program, and later be used for the development of affordable housing.

Seller-Funded Down Payment Assistance Programs - Codifies existing FHA proposal to prohibit the use of down payment assistance programs funded by those who have a financial interest in the sale; does not prohibit other assistance programs funded by other sources, such as churches, employers, or family members. This prohibition does not go into effect until October 1, 2008.

VA Loan Limits - Temporarily increases the VA home loan guarantee loan limits to the same level as the Economic Stimulus limits through December 31, 2008.

Mortgage Revenue Bond Authority - Authorizes \$10 billion in mortgage revenue bonds for refinancing subprime mortgages.

CDBG Funding - Provides \$4 billion in neighborhood revitalization funds for communities to purchase foreclosed homes.

LIHTC - Modernizes the Low Income Housing Tax Credit program to make it more efficient.

