Federal Issues Update

REALTORS® GAD Institute
West Palm Beach, Florida
July 13, 2017
Federal Advocacy

Two Goals:
1. Advance NAR issue agenda
2. Support REALTOR® Champions

Two Programs:
1. Federal Issue Advocacy
2. Federal Independent Expenditures

Two Funding Sources:
1. REALTOR® Party Dues
2. RPAC
2016 NAR Electoral Advocacy

REALTOR®
Electoral Advocacy
Total = $23.4 M

Opportunity Races $3 M
Candidate Funding $5.2 M
President’s Circle $4.4 M
Independent Expenditures $10.8 M
NAR Federal Electoral Advocacy Budget in Millions of Dollars

- 2013-2014: $17.3
- 2015-2016: $23.25
- 2017-2018: $25.0
Levels of Candidate Support

• REALTOR® Friends: Varying Levels of RPAC Support
• REALTOR® Friends Facing Electoral Threat: Varying levels of Opportunity Race support
• REALTOR® Champions where we can make the difference: Varying levels of I.E.s
H.R. 620  ADA Education & Reform Act – drive by lawsuits (Poe)
H.R. 916  Risk Management & Homeowner Stability Act
          (Sanford-Sherman)
H.R. 948  Common Sense Housing Investment Act
          (Ellison NEGATIVE)
H.R. 1422 Flood Insurance Market Parity & Modernization Act
          (Ross-Castor)
H.R. 1447 Fair & Equal Housing Act (Taylor)
H.R. 1958 Protecting Americans from Credit Entanglements PACE Act
          (Sherman)
H.R. 2193 Remote Transactions Parity – sales tax (Noem)
H.R. 2543 Mortgage Forgiveness Tax Relief Act (Reed-Brownley)
H.R. 2802 First Time Homeowner Bills (Maloney/Coffman)
IECG Selection Process

- Total Races in 2016 Cycle 435 House 34 Senate
- Competitive Races 57 House 9 Senate
- Members with Key Committee Assignments Opportunity Race Eligible
- Grassroots Support, Strength of Challenger
- Can NAR Make a Difference? Polling Conducted
- Partisan Balance, Ethical Considerations
- General Election Independent Expenditures, NAR Conducted 3 IEs in Primary Elections
Approval Process

RPAC Leadership
- IE Coordinating Group
- Existing Level 1 Opportunity Race

RPAC Trustees
- Debate
- Approve or Deny Recommendations

State Association Notification
- Notice of Independent Expenditure Campaign
- Independent Expenditure Launches
I E Results by Cycle

<table>
<thead>
<tr>
<th>Year</th>
<th>Wins</th>
<th>Losses</th>
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<td>2002</td>
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<td>1</td>
</tr>
<tr>
<td>2004</td>
<td>5</td>
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<tr>
<td>2006</td>
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<td>2014</td>
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<tr>
<td>2016</td>
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7/20/2017
NAR Independent Expenditures

<table>
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<tr>
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<td>$7.0</td>
<td>$10.3</td>
<td>$11.8</td>
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Cook Report Senate Races

- **Toss-Up**: 0 Republicans
- **Lean**: 2 Republicans
- **Likely**: 0 Republicans
- **Solid**: 7 Republicans

7/20/2017
Cook Report Senate Races

- **Toss Up**: 0
- **Lean**: 5
- **Likely**: 8
- **Solid**: 12

Democrats
2018 House Races

- Solid D
- Likely D
- Lean D
- Toss-Up D
- Toss-Up R
- Lean R
- Likely R
- Solid R

- 175
- 10
- 190
- 7
- 21
- 22
- 7/20/2017
Issue Advocacy

Goal: Affect outcome of an issue in Congress
Method: Communications
Funding: NAR Dues

Issue Advocacy Funding in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding (in Millions)</th>
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<tbody>
<tr>
<td>2014</td>
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<td>2015</td>
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<td>2016</td>
<td>3</td>
</tr>
<tr>
<td>2017</td>
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Advocacy Elements

- Research “priority” issues
- Targeting Districts/States
- Grassroots efforts
- Advertising
  - Direct Mail
  - Online Ads
  - Television
  - Print Ads
- Coalitions
Examples of Issue Advocacy vs. I.E.s

- **IE spot:** Rep. Mike Coffman (R-CO)

- **Issue spot:** Sen. Heidi Heitkamp (D-ND)
NATIONAL ASSOCIATION OF REALTORS®
State Assignments for Lobbyists

Colin Allen
Dan Blair
Helen Devlin
Jerry Giovaniello
Jamie Gregory
Joe Harris
Ken Wingert

United States
Virgin Islands
Puerto Rico

Hawaii
Guam
American Samoa
# Government Affairs Resources

### Web Page

[www.NAR.realtor/political-advocacy](http://www.NAR.realtor/political-advocacy)
- NAR Issues
- Letters to Congress
- Letters to Federal Agencies
- Washington Report
- Monday Minute

### Social Media Resources

**Official Twitter stream**
- [@NARGovtAffairs](https://twitter.com/NARGovtAffairs)

**Official Facebook Page**
- [www.facebook.com/nar governmentaffairs/](http://www.facebook.com/nar governmentaffairs/)
115th Congress First Session

The Big Three

• National Flood Insurance
• Tax Reform
• GSE Reform
Flood Insurance Program Principles

• Long Term Reauthorization
• Affordable Rates
• Accurately Priced Premiums
• Increased oversight and training of insurance companies
• Strong NFIP Homeowner’s Advocate
• Improved Flood Mapping
NFIP In House

• NAR Supported 6 of 7 Flood Bills
• Opposed H.R. 2874 Rep. Sean Duffy (R-WI)
• House expected to fold all seven bills into one complete package
• Consideration later this month???
NAR Concerns with House Package

• Fix the grandfathering provisions
• Improve flood maps
• Reigning in fees and surcharges
NFIP In Senate

S.563 Flood Insurance Market Parity and Modernization Act
• Dean Heller [R-NV], Jon Tester [D-MT]

S.1313 Flood Insurance Affordability & Sustainability Act of 2017
• Bill Cassidy [R-LA], Kirsten Gillibrand [D-NY], Shelley Moore Capito [R-WV], John Kennedy[R-LA]

S. 1368 Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017
• Bob Menendez [D-NJ], John Kennedy[R-LA], Elizabeth Warren [D-MA], Marco Rubio [R-FL], Chris Van Hollen [D-MD], Thad Cochran [R-MS], Cory A. Booker [D-NJ], Bill Nelson [D-FL]

Crapo/Brown Bill Banking Committee Bill
• In draft stage
Tax Reform

• No formal legislative proposal
• Health care bill still unresolved
• Continuing legislative advocacy
  • State and Local Deduction
  • 1031 Exchanges
  • MID
Two Points on Tax Reform

• Tax Reform is NOT a foregone conclusion.

• “Reconciliation” gets around 60 vote threshold but it is generally slow and difficult
GSE Reform Principles

• **NAR** supports restructuring the secondary mortgage market to ensure a reliable and affordable source of mortgage capital for consumers

• **Restructuring of Fannie Mae and Freddie Mac** to end government conservatorship
NAR Proposal

Mortgage Market Liquidity Fund (MMLF)

• A portion of Fannie/Freddie profits go into the MMLF

• MMLF controlled by the FHFA Director

• Not a replacement for comprehensive reform, but a way to ensure GSE profits stay in housing sphere and not diverted to non-housing