



309 Inverness Way South
Englewood, CO 80112-5818
T 303-790-7099 / 800-944-6550
F 303-790-7299 / 800-317-3689
www.ColoradoREALTORS.com

HB-1022
(Rep. Scott / Sen. Morse)

Please Support Seller Financing for Residential Property

- HB-1022 simply synchronizes Colorado's seller financing exemption with the exemption language passed by Congress in July 2010 – the bill permits property owners to seller finance up to three properties in any 12-month period without having to be licensed as a mortgage loan originator.
- Seller financing plays an important role in financing the sale of real estate, especially when credit is tight.
- The limitations on seller-financing are of statewide concern but disproportionately affect rural and mountain areas.
 - This is due to the large number of resort, farm and ranch properties unable to secure conventional financing either because they exceed FHA loan limits or they are considered too risky by lending institutions.
 - Additionally, there are many land transactions which are largely transacted using some form of seller financing.
- Colorado, as well as the rest of the nation, is still reeling from the effects of the deep recession we faced.
 - The economic downturn we are experiencing was caused in part by the downturn in the housing market. Economic recovery will not happen without a housing recovery.
- The housing market is hampered by large inventories and rampant foreclosures.
 - The recovery of the housing market is impeded by tight credit, which does not allow potential borrowers to receive the financing necessary to purchase properties, and thereby absorb existing inventories.
 - In 2010, in just the 8 metro area counties, the number of sold homes decreased 10.7 percent. In December alone, the housing inventory in the metro area increased 13% from December of 2009. As inventories increase, it will place increasing pressure on home prices to decrease.
 - As the Denver Post's Jason Blevins reported last month, "The crush of foreclosure filings in mountain communities continued through 2010, eclipsing not just the records from the previous year but the fallout from the formidable crash of the mid-1980s."
- In order for the housing markets to recover, and thereby the economy, excess inventory must be absorbed.
- Real property must have the ability to be conveyed using all necessary forms of financing, including seller-financing.

For more information, please contact:

Rachel Nance, VP Public Policy
303-785-7117
ga@coloradorealtors.com

Ted Leighty, Public Policy Manager
303-785-7116
ga@coloradorealtors.com

