

April 7, 2008

SENT TO GTA MEMBERS OF PARLIAMENT

On behalf of the Toronto Real Estate Board's 27,000 Members, I'm writing to ask you to support the Private Members' Bill (C-520) of your colleague John Cummins to raise the borrowing limits under the Home Buyers' Plan. Feedback from members of all federal parties to the Canadian Real Estate Association shows strong support for raising the limits.

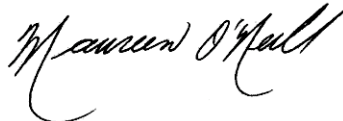
Please keep in mind several important points about the Home Buyers Plan. The current limit of \$20,000 has not changed since it was introduced in 1992. If the limit had been indexed to inflation it would be \$25,980 today. The Home Buyer's Plan limit has not changed, but the MLS® residential average home price rose 85 per cent between 1992 and 2006. One impact is that younger homebuyers are being priced out of the market particularly in larger cities.

The Home Buyers' Plan is the only national program for homeownership that encourages savings and down payments. Mortgage insurance encourages increased financial leverage and other products, such as extended amortizations and interest only mortgages, support indebtedness. Users of the Home Buyers' Plan borrow their own money and have every incentive to repay their RRSP accounts to avoid taxation penalties. Tax-Free Savings Accounts, introduced in the 2008 budget, are intended to build equity over time. In terms of assisting with the purchase of a home, their utility is modest at best, and will only assist would-be homebuyers some years in the future.

Homeownership is the cornerstone of retirement for the majority of Canadians. It makes good sense to allow Canadians to save for a home and save for retirement at the same time. Because of the repayment feature, the Home Buyers' Plan does not divert funds from the goal of retirement security. The integrity of the RRSP program remains protected.

The Home Buyers' Plan has proven over 15 years to be the ideal government program. It does not cost the public treasury. It supports worthwhile social and economic purposes in homeownership. As such it is good public policy. We urge you to show your support to Mr. Cummins' bill. Please let me know if you would like additional information.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Maureen O'Neill". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Maureen O'Neill
President

c.c. The Canadian Real Estate Association