



**The Common Sense Housing Investment Act of 2013, H.R. 1213 –  
*Bill would realign the mortgage interest deduction to  
benefit families who need it most***

Dear Colleague,

The way the nation provides housing benefits is completely upside down. The burden of housing costs fall more heavily on renters, especially extremely low-income renters, than on homeowners. Yet, more than three times as much is spent on homeownership compared to rental housing.

The Common Sense Housing Investment Act of 2013 (H.R.1213) targets housing funds where they are needed most. By replacing the current mortgage interest deduction with a 15% tax credit, the bill invests the nearly \$200 billion in savings to increase the supply of desperately needed affordable rental housing for extremely low-income households.

**The bill:**

- Lowers the total amount of mortgage interest eligible for subsidy from \$1.1 million to \$500,000
- Replaces the mortgage interest deduction with a 15% nonrefundable flat-rate mortgage interest credit. A credit enables 16 million more current mortgage holders to receive a tax benefit.
- Phases in the changes over five years to minimize any disruption to the housing market.
- Invests the estimated \$200 billion in savings to:
  - Expand the Low Income Housing Tax Credit from \$2.10 per capita to \$2.70 per capita. This represents a 23% from current levels to about \$14 billion over ten years.
  - Provide 60% of the funds for the National Affordable Housing Trust Fund, (about \$109 billion over ten years); 30% of funds for Section 8 rental assistance, (about \$54 billion over ten years) and 10% for the Public Housing Capital Fund (about \$18 billion over ten years).

Now is the best time to make this change. We have record low interest rates, a glut of lower cost homes for sale, many current homeowners underwater and a dire need for more than 7 million homes affordable to households earning below 30% of area median income. The Common Sense Housing Investment Act of 2013 expands the supply of affordable rental housing, provides a more generous homeownership benefit to more families and creates jobs. Please co-sponsor the bill.

Keith Ellison  
Member of Congress