



NATIONAL LOW INCOME HOUSING COALITION

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FUNDING THE NATIONAL HOUSING TRUST FUND THROUGH HOUSING TAX REFORM

YES! My organization endorses funding the National Housing Trust Fund by reforming the mortgage interest deduction.

My organization supports NLIHC's proposal for reformed mortgage income tax breaks that will give a tax benefit to the middle and lower income homeowners who need it most, while creating jobs and reducing homelessness by funding programs that build and rehabilitate housing that low income Americans can afford.

Authorizing Contact Name: _____

Organization: _____
(as it should be listed; no acronyms please)

Address: _____

City: _____ State: _____ ZIP: _____

Phone: _____ Email: _____

Organizational Scope: National State or Local Congressional District: _____

THE PROPOSAL

Reduce the size of a mortgage eligible for a tax break to \$500,000.

Under current law, homeowners who itemize on their tax returns can deduct the interest paid on mortgages on first and second homes up to a total of \$1 million, and the interest on up to an additional \$100,000 in home equity loans. Interest on second homes and home equity loans would also be eligible for credit under the \$500,000 cap.

Convert the mortgage interest deduction to a 15% non-refundable tax credit.

By reforming the deduction to a credit, all homeowners with mortgages could receive this benefit, not just those who have enough income to file itemized tax returns. This will result in more homeowners being eligible for a tax benefit.

BENEFITS OF REFORM

Make the mortgage interest tax break more available to middle and lower income families.

With a 15% tax credit, the number of homeowners with mortgages who would get a tax break would increase from 39 million to 55 million, with 99% of the increase being households with incomes less than \$100,000 a year.

Save the federal government almost \$20 billion a year.

NLIHC proposes these savings be used to build and rehabilitate affordable rental housing by capitalizing the National Housing Trust Fund.

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