

I am very concerned about the shortage of housing that is affordable and available to extremely low income people. Nationwide, there are 10.1 million extremely low income households and only 3 million rental homes affordable and available to them—a gap of 7.1 million.

- Senator Baucus, in your state of Montana there is a shortage of 13,624 units affordable and available for extremely low income renters. For every 100 renter households, there are only 44 affordable and available units.
- Representative Camp, in your congressional district (MI-04) there is a shortage of 13,590 units affordable and available for extremely low income renters. For every 100 renter households, there are only 33 affordable and available units.
- Use NLIHC's State Housing Profiles (<http://nlihc.org/library/SHP>) or Congressional District Profiles (<http://nlihc.org/library/CDP>) to share your local data.

The National Housing Trust Fund will fill this gap by building, preserving, rehabilitating, and operating rental housing that is affordable to this extremely low income group.

The funding for the National Housing Trust Fund should come from modest improvements to the mortgage interest deduction. I support the United for Homes campaign proposal to **modify the current mortgage interest tax break by reducing the size of a mortgage eligible for a tax break to \$500,000, and converting the deduction to a 15% non-refundable tax credit.**

These modest changes to the mortgage interest deduction would result in:

- **16 million more homeowners would get a tax break**
Only 24% of all taxpayers claim the mortgage interest deduction. By converting to a credit, all homeowners with mortgages would get a tax break, not just those who have enough income to file itemized tax returns. Through these proposed changes, the number of homeowners with mortgage who would get a tax break would increase from 39 to 55 million. *Source: Tax Policy Center (2013).*
- **Help for more middle and lower income homeowners**
Through the proposed modifications to the mortgage interest deduction, 99% of the homeowners newly eligible for a tax break would be households with incomes less than \$100,000 a year. *Source: NLIHC tabulations of Tax Policy Center data (2013).*
- **New revenue for affordable housing**
The cost of the mortgage interest deduction in 2014 will be \$80 billion. But with the proposed modifications to the mortgage interest deduction, there would be almost \$200 billion over ten years in new revenue that can be used to address our most important housing problems by funding the National Housing Trust Fund. *Source: NLIHC tabulations of Tax Policy Center data (2013).*

Funding the National Housing Trust Fund will not just boost the economy and create jobs – it will also help the lowest income families in all our communities find decent, affordable homes. We all know that a decent, affordable home is the foundation to improving the lives of millions of Americans, the vibrancy of all of our communities, and the health and stability of our country's economy.

I believe that any tax reform should improve the lives of low income Americans. **Modifying the mortgage interest deduction and using the revenue raised to fund the National Housing Trust Fund should be a top priority as Congress takes on tax reform.**