



# UNITED FOR HOMES

CAMPAIGN FOR THE NATIONAL HOUSING TRUST FUND

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## United for Homes Steering Committee Lobby Day July 17, 2013 House of Representatives Talking Points

**REQUEST:** Co-sponsor H.R. 1213, the Common Sense Housing Investment Act of 2013

The United for Homes campaign is comprised of more than 1,200 organizations dedicated to funding the National Housing Trust Fund (NHTF) through a modernization of the mortgage interest deduction.

- The NHTF is an authorized program that when funded will expand the supply of housing for extremely low income people in the Representative's district. Currently there is a gap of **XX** units between what is available and what is needed in this district.
- The mortgage interest deduction is one of the largest tax expenditures and far outpaces current federal support for affordable rental housing.
- We propose two key changes to the mortgage interest deduction to modernize it and make it fairer and better targeted to homeowners who need the assistance and renters:
  - Lower the cap on the size of a mortgage for which a homeowner can deduct the interest from \$1,000,000 plus \$100,000 in home equity loans to \$500,000.
    - Home equity loans and second homes are allowed under this cap.
    - Only 4% of mortgages nationwide are for more than \$500,000.
  - Converting the deduction to a 15% nonrefundable credit
- These two changes would:
  - Expand the number of homeowners receiving a tax break for interest paid on a mortgage from 39 million to 55 million. Of the 16 million in the increase, 99% have incomes under \$100,000.
  - Raise \$197 billion in revenue over 10 years (with a five year phase-in).
    - This increase would go to the NHTF to expand the supply of housing affordable to extremely low income people.
- The proposal has wide support.
  - The Bipartisan Policy Center's Housing Commission called for savings generated from tax reform to be applied to expand support for affordable housing programs.
  - Public opinion research shows that while Americans like the MID, 60% also support our proposed reforms. More than two-thirds support using some or all of the savings to expand the supply of affordable housing to help end homelessness.
- Representative Keith Ellison (D-MN) has a bill, H.R. 1213, that includes the proposed MID changes. The bill would apply the majority of savings to the NHTF and other housing programs.
- We respectfully request the Representative to cosponsor the bill.

### Housing Finance Reform:

- We oppose Financial Services Committee Chair Hensarling's effort to do away with the NHTF in his new bill intended to dismantle the government sponsored enterprises Fannie Mae and Freddie Mac. The NHTF must be included in any future housing finance system.