



NATIONAL
ASSOCIATION of
REALTORS®

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April 25, 2012

Dear Representative:

On behalf of more than one million members of the NATIONAL ASSOCIATION OF REALTORS®, I urge you to cosponsor legislation that would extend the provisions of current tax law that grant tax relief for homeowners when lenders forgive some portion of mortgage debt they owe. Securing this extension is among our highest priorities for 2012. In fact, REALTORS® will be seeking cosponsors to bills to extend this relief beyond 2012 when they are in Washington during the week of May 14, 2012.

The objective of extending this relief provision is to assure that a homeowner in foreclosure, completing a short sale or attempting to have an existing loan restructured will not face an additional tax burden. If this provision is not extended, thousands of homeowners will pay income tax on "phantom income." They will owe tax on money they've already lost and be required to pay that tax with cash they never received. The mortgage tax relief provisions protect these homeowners (so long as they meet specified criteria) from facing a tax bill after an economic loss on what, for most, is their most valuable asset.

Two Members of the Ways and Means Committee have introduced clean bills to extend the mortgage cancellation relief. Rep. Tom Reed's bill, H.R. 4336, extends the relief provision for one year. Rep. Charlie Rangel's bill, H.R. 4202, would extend it for two years. In 2007, when the relief provision was enacted, no one would have dreamed that this tax relief would still be needed after 2012. Unfortunately, the crisis in the housing market has not yet resolved itself.

Currently over one quarter of all home sales involve a "distressed property," with many of these transactions taking months to complete. A strong signal is needed to provide certainty to both lenders and homeowners that they can continue to rely on the current rules as they structure these complex transactions. Timely enactment of this legislation is critical to the ongoing recovery of the housing market.

We urge you to cosponsor one or both of these bills. Please contact Steve Pfrang with Rep. Reed (steve.pfrang@mail.house.gov or 6-1919) to be added to H.R. 4336 or Reba Raffaelli with Rep. Rangel (reba.raffaelli@mail.house.gov or 5-4365) to be added to H.R. 4202.

Sincerely,

Maurice "Moe" Veissi
2012 President, National Association of REALTORS®



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