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February 8, 2018

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Charles E. Schumer  
Democratic Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Republican Leader McConnell and Democratic Leader Schumer:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), I write to express NAR's support for the Bipartisan Budget Act of 2018. Not only will this budget agreement provide long-term budget certainty that will allow Congress to fulfill its appropriations duties, it also extends key tax provisions important to REALTORS® and their clients, as well as avoids another lapse in the National Flood Insurance Program (NFIP). Specifically, NAR is pleased to see the inclusion of the following tax provisions, for 2017:

- **Extension of exclusion from gross income of discharge of qualified principal residence indebtedness.** This provision will prevent homeowners who were forced to sell their home through a short-sale last year, or who faced a foreclosure from being taxed on the "phantom income" they received when a lender cancelled their debt.
- **Extension of mortgage insurance premiums treated as qualified residence interest.** This provision will allow approximately 5 million homeowners to deduct the mortgage insurance premiums they paid as part of their mortgage. NAR estimates that roughly 2 million homebuyers annually purchase a home that is subject to mortgage insurance. This provision helps make homeownership more affordable for first time and entry-level homeowners.
- **Extension of energy efficient commercial buildings deduction.** This provision extends the deduction for the cost, up to \$1.80 per square foot, of energy-efficient commercial building property. Increasing the energy efficiency of commercial buildings not only helps the environment, it saves building owners and tenants money they can use to grow their businesses and the economy.

The Bipartisan Budget Act of 2018 would also extend the National Flood Insurance Program (NFIP) to March 23, 2018. REALTORS® encourage Congress to use this time to pass comprehensive NFIP legislation that provides a 5-year reauthorization and includes meaningful reforms to strengthen the program and open the door to a private market for flood insurance. In addition to extending the NFIP, we are encouraged to see Congress make significant



investments in rebuilding more resiliently in areas affected by last year's natural disasters. Recent research has shown that overall, taxpayers save six dollars for every dollar spent on mitigation.

NAR encourages members to support the Bipartisan Budget Act of 2018 when it comes to the floor, and hopes that this bipartisan agreement can lead to more collaborative efforts to address the issues facing our nation.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth G. Mendenhall". The signature is written in a cursive, flowing style.

Elizabeth Mendenhall

2018 President, National Association of REALTORS®