



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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December 18, 2007

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

Tax relief for cancellation of mortgage debt has been a top tier legislative priority of the NATIONAL ASSOCIATION OF REALTORS® (NAR) during 2007. A bipartisan majority of the House passed H.R. 3648 in October (386 – 27), and the Senate passed it by unanimous consent on December 14. The House will take up the Senate-passed version of H.R. 3648 this week. The mortgage cancellation tax relief that H.R. 3648 provides is critical for many families in financial distress that would otherwise pay tax on phantom income. *The NATIONAL ASSOCIATION OF REALTORS® supports H.R. 3648 and urges you to vote for it on final passage.*

Action this year is essential. About 35% of the major metropolitan areas in the US are experiencing declines in home prices. Thus, many home sales in these areas (and others, as well) are so-called “short sales” in which the outstanding mortgage balance at the time of a sale may be less than the proceeds that will be realized in the transaction. Short sales can occur *even when an individual is current on his/her payments.*

Unprecedented rates of foreclosure also make action this year essential. In Nevada, foreclosure affects one in every 154 households. In California, foreclosure affects one out of 258 households and in Florida one of every 273 households is affected.

NAR would have preferred the permanent relief in the original House-passed provision. *Nonetheless, we support the 3-year relief the Senate has passed in its version of HR 3648 and urge you to support it, as well.*

We look forward to securing timely enactment of this essential provision.

Sincerely,

Richard F. Gaylord, CIPS, CRB, CRS, GRI  
2008 President, National Association of REALTORS®