

Alaskans Discuss Housing Issues in Washington, D.C. – May 24, 2013

The Alaska Association of REALTORS Leadership just returned from the National Association of REALTORS® Midyear meeting in Washington D.C. The volunteers of our Local and State Board members represent the State of Alaska extremely well as we visited our Alaska delegation; Senator Mark Begich, Senator Lisa Murkowski and Congressman Don Young. In all of these visits our message was clear and concise focusing on the following housing issues:

- 1) **Action Needed** – Restructure Fannie Mae and Freddie Mac to ensure that affordable mortgages are available to consumers in all types of markets, and to avoid a major disruption to the nation’s economy that would result from the total collapse of the housing finance sector.
 1. Senators, Congressmen, members of the House Financial Services Committee and the Senate banking Committee we advised to hold hearings that focus on restructuring the secondary mortgage markets and that the emphasis of these hearings be the crafting of comprehensive bi-partisan legislation that resolves the conservatorship of Fannie Mae and Freddie Mac.

- 2) **Action Needed** – As Congress considers proposals to reform the federal tax code, lawmaker should consider the vital role that the real estate tax provisions play in the nation’s housing markets and economy, as well as the financial well-being of Americans and their families.
 1. Continue to support these important tax provisions for residential real estate. As real estate markets continue to recover, Congress must first do no harm.
 - i. Mortgage Interest Deduction: for 100 years, the MID has helped make home ownership more affordable for families of moderate means, strengthening our communities. Oppose efforts to change or eliminate the mortgage interest deduction for primary and secondary homes. (92% of all MID deductions are taken by those earning less than \$200,000 annually.
 - ii. Property Tax Deduction: Property taxes paid are properly not considered “income” that should be subject to further federal taxation. Congress should not tax “income” that doesn’t exist and oppose the elimination of the deduction for property taxes.
 - iii. Capital Gains Exclusion for Sale of Principal Residence: Individuals can exclude the first \$250,000 (and married couples the first \$500,000) of gain from the sale of their principal residence from capital gains tax. This provision allows homeowners to build equity and save for retirement. Congress should maintain it.

- 3) **Action Needed** – Ensure that the Federal Housing Administration (FHA) single-family program has the tools and policies in place to meet its mission of providing access to safe, affordable mortgage financing to qualified borrowers nationwide.
 1. FHA’s single family mortgage insurance program helps preserve private financing options for homebuyers regardless of local, regional or national economic conditions
 2. Without FHA, our nation’s housing recovery would never have begun.
 3. DO NO HARM to that recovery. Do not enact FHA reform legislation that unfairly restricts homebuyers access to safe, affordable mortgage credit.

