

As the leading advocate for homeownership, the National Association of Realtors aggressively supports the mortgage interest deduction because it helps people become and remain homeowners. The tax deductibility of interest paid on mortgages is both a powerful incentive for homeownership and one of the simplest provisions in the tax code. It should not be targeted for change.

Contrary to Mr. Glaeser's contention, both low and middle income families use the mortgage interest deduction. According to the most recent IRS tax return data available, 63 percent of the families who claim the mortgage interest deduction earn between \$50,000 and \$200,000 per year.

People don't buy homes because of the mortgage interest deduction. They buy homes to satisfy social, family and personal goals. The deduction does, however, facilitate homeownership by reducing the carrying costs of ownership.

According to an NAR analysis, removing the mortgage interest deduction would result in a 15 percent decline in home prices. This would add to the bleeding balance sheets of banks and Wall Street and result in additional and sizable equity losses for 75 million homeowners.

NAR will remain vigilant in working with the new administration and Congress to revitalize the housing market and pave the way for economic recovery. Tinkering with the mortgage interest deduction, however, is neither prudent nor productive toward this goal, especially in these already trying economic times.

— *Charles McMillan, National Association of Realtors® President*