



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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Dear Representative:

On behalf of the 1.2 million members of the National Association of REALTORS®, I am writing to convey our concerns with President Obama's 2010 budget proposal seeking to modify the Mortgage Interest Deduction (MID). The National Association of REALTORS®, "The Voice for Real Estate," is America's largest professional trade association. Our members are residential and/or commercial REALTORS® who are brokers, sales agents, property managers, appraisers, counselors and others with the common goal of providing full service to individuals, families and businesses that buy, sell, hold, operate or rent real estate.

Very simply, we believe the timing is inappropriate to advocate changes to the mortgage interest deduction. While the proposal outlined in the President's budget submission affects families earning above \$250,000, our analysis demonstrates home value declines for all homeowners. This could trigger yet another crisis in home values, even as we struggle to recover from the first. We also anticipate added damage to the broader economy because of reduced consumer spending, additional increases in foreclosures and additional increases in joblessness. At a time when our housing and real estate markets are suffering, we believe it would be irresponsible for the real estate industry and federal policymakers to consider, much less support, any proposal seeking to alter the MID.

The National Association of REALTORS® recognizes that our country is facing an intractable set of long-term budget and tax issues and that bold ideas and policy initiatives are necessary to jumpstart our economy and lay the foundation for growth for years to come. We have embarked on detailed research analysis to ascertain the full impact of the budget proposal, and we welcome the opportunity to share our findings and work with Congress and the Obama Administration to effect policy decisions that will go far in determining the fiscal and economic course the country will take going into the next decade.

However, we must underscore that our past research has continuously demonstrated that limiting or eliminating the tax benefits of homeownership creates an adverse impact on housing markets and the value of housing nationwide. The MID is the single most important tax provision for our nation and our families and our studies have conclusively demonstrated that diminishing or eliminating the MID would hurt all families, the housing market and our national economy.

The National Association of REALTORS® appreciates this opportunity to share our views and we look forward to working with Congress and the Obama Administration during the 2010 budgetary process.

Sincerely,

Charles McMillan, CIPS, GRI  
2009 President, National Association of REALTORS®