



June 15, 2009

The Honorable Johnny Isakson
United States Senate
120 Russell Senate Office Building
Washington, DC 20510

Dear Senator Isakson:

On behalf of the Mortgage Bankers Association (MBA) and its 2,400 member companies representing the real estate finance industry, I wish to express support for S. 1230 which would amend the Internal Revenue Code by enhancing the current tax credits for home purchases. MBA believes S. 1230 would help make the dream of homeownership more achievable and affordable for more Americans.

MBA commends your foresight in expanding existing measures established by Congress to spur home purchases. Some of the particularly stimulative provisions include:

- Raising the current home purchase tax credit from \$8,000 to \$15,000;
- Making the credit applicable to all primary residence purchases, not just first-time home purchases; and
- Extending the current expiration date from December 1, 2009 to one year after the proposed bill is enacted.

Although MBA strongly endorses these aspects of S. 1230, we believe the bill could be made even more impactful by addressing one of the key obstacles to homeownership – coming up with a down payment. In the current housing finance market, qualifying for a lower interest rate mortgage usually requires borrowers to have a sizeable down payment. MBA believes S. 1230 could provide down payment assistance if the bill was revised by monetizing the credit so that the funds are available to the homebuyer at the closing table.

Another modification MBA requests you to consider is removing the proposed limitation of the credit that is based upon regular tax liability. This change would extend the benefit of the tax credit, and home purchase opportunities, to more low to moderate income households.

We proudly support your efforts to invigorate the housing market and generate incentives for borrowers to purchase homes.

Sincerely,

A handwritten signature in black ink that reads 'John A. Courson'.

John A. Courson
President and Chief Executive Officer

A handwritten signature in black ink that reads 'David G. Kittle'.

David G. Kittle, CMB
Chairman