



**Americans for Financial Reform**  
1629 K St NW, 10th Floor, Washington, DC, 20006  
202.466.1885

December 6, 2013

Dear Senator,

We write to urge you to support S. 1187, the Mortgage Forgiveness Tax Relief Act.

Extending the qualified principal residence indebtedness exclusion (QPRI) is of critical importance as we work to resolve the housing crisis. More than six years after the mortgage market imploded, we have still not returned to pre-2008 foreclosure levels. In the next year, many more homeowners will receive loan modifications with principal reduction under HAMP, the National Mortgage Settlement, or through private, proprietary modifications. The recent settlement with JP Morgan Chase, which requires a minimum of \$1.5 billion in principal reductions, further ups the ante. Homeowners who need a principal reduction on their mortgage in order to avoid foreclosure should not face a tax bill. The imposition of tax in these circumstances undermines national housing policy.

The extension of QPRI will allow many homeowners to remain in their homes, paying on their mortgages, restoring some small measure of financial stability to their lives and to their communities. Extension of QPRI has received uncommonly wide bipartisan support across the entire spectrum of stakeholders.

We would ask that you go further, as well. QPRI has never reached the majority of homeowners who need principal reductions because QPRI is, as a practical matter, only available to homeowners receiving reductions on their purchase money mortgage. Homeowners who refinanced and received cash-out, or who paid off medical bills or student loans, or who took out a home equity loan to address deferred maintenance on their homes, cannot use QPRI to avoid paying income tax, even though they will have no additional income with which to pay the increased taxes and even if they remain deeply underwater after the loan modification. For example, under the terms of a recent principal reduction modification offered a Connecticut homeowner, the homeowner would, after the modification, owe nearly \$250,000 more than the house is worth and face an increase in their annual taxes of over \$10,000 a year, for three years, on a total annual income of only \$71,000. In order to protect homeowners who need principal reductions from adverse tax consequences and to promote tax equity, QPRI should be expanded to include all residential mortgage debt forgiven due to a decrease in the value of the home or the homeowner's financial condition.

The Mortgage Debt Forgiveness Tax Relief Act expires on December 31, 2013. Principal reduction modifications entered into after this date, including those authorized by the recent settlement with JP Morgan Chase, will result in additional tax consequences for homeowners. Without an extension, far fewer modifications will be done and the modifications done will be less sustainable, with wide-reaching consequences for homeowners, the communities they live in, and our national economy. The settlements with some of the large financial institutions which are finally providing modifications with principal reductions for qualified homeowners should not end up penalizing the homeowners who have waited so long for assistance.

An extension of the Mortgage Debt Forgiveness Tax Relief Act cannot wait for a more global tax reform bill; it should be enacted swiftly.

Sincerely,

**National Signatories:**

AAA Fair Credit Foundation  
Action for the Common Good  
Americans for Financial Reform  
Asian-American Homeownership Counseling, Inc.  
Cambridge Credit Counseling Corp  
Campaign for a Fair Settlement  
Catholic Charities USA  
The Center for American Progress  
Center for Popular Democracy  
Center for Responsible Lending  
Consumer Action  
Consumer Federation of America  
ClearPoint Credit Counseling Solutions  
Community Action Human Resources Agency  
Debthelper.com - Credit Card Management Services, Inc.  
Esperanza  
Home Defenders League  
HomeFree-USA  
The Housing Research & Advocacy Center  
The Leadership Conference on Civil and Human Rights  
National Asian American Coalition  
National Association of Consumer Advocates  
The National Association of Neighborhoods (NAN)  
National Coalition for Asian Pacific American Community Development  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of our low income clients)  
National Council of La Raza  
National Education Association  
National Fair Housing Alliance  
National Housing Law Project

National Housing Resource Center  
National Urban League  
NID Housing Counseling Agency  
Rural Community Assistance Corporation

**State and Local Signatories:**

A Home For Everyone (Paris, France)  
A New Leaf (Mesa and Glendale, AZ)  
ACCE (Alliance of Californians for Community Empowerment)  
ACTION-Housing, Inc. (Pittsburgh, PA)  
Advocates for Basic Legal Equality, Inc (Toledo, OH)  
Affordable Housing Alliance (Eatontown, NJ)  
Agora Community Services (Agora, ME)  
Albany County Rural Housing Alliance, Inc. (Albany, New York)  
Arbor Housing and Development (New York)  
Arizona Fair Housing Center (Phoenix, AZ)  
Arizona Housing Alliance (Phoenix, AZ)  
Austin Habitat for Humanity (Austin, TX)  
Beyond Housing (St. Louis, MO)  
BOTHANDS, Inc. (Flagstaff, AZ)  
Bridge Street Development Corp (Brooklyn, NY)  
Buffalo Urban League (Buffalo, NY)  
California Reinvestment Coalition  
Campesinos Sin Fronteras (San Luiz, AZ)  
Catholic Community Services dba Pio Decimo Center (Tucson, AZ)  
CCCS of Greater Greensboro, A division of Family Service of the Piedmont Inc. (Greensboro, NC)  
Center for Economic Progress (Chicago, IL)  
Center for New York City Neighborhoods (New York, NY)  
City of Porterville (Porterville, CA)  
City of Yuma (Yuma, AZ)  
Clay County Behavioral Health Center (Middleburg, FL)  
Coalition on Homelessness & Housing in Ohio (COHHIO) (Columbus, OH)  
Coastal Enterprises, Inc. (Maine)  
Community Enterprise Investments, Inc (Pensacola, FL)  
Community Housing Council of Fresno (Fresno, CA)  
Community Housing Development Corporation of North Richmond (North Richmond, CA)  
Community Services of Nevada  
Comprehensive Housing Assistance, Inc. (Baltimore, MD)  
Connecticut Fair Housing Center (Hartford, CT)  
Consumer Credit Counseling Service of Buffalo, Inc. (Buffalo, NY)  
Consumer Credit Counseling Service of Orange County (Santa Ana, CA)  
Consumer Credit Counseling Services of West Florida, Inc. (Pensacola, FL)  
Covenant Community Development Corporation (Mississippi)  
Credit & Homeownership Empowerment Services, Inc. (FL, MO, NC)  
Cypress Hills Local Development Corporation (Cypress Hills, NY)  
Dalton-Whitfield Community Development Corporation (Dalton, GA)

Eastside Community Development Corporation, Inc (Baltimore, MD)  
Empire Justice Center (New York)  
ESOP: Empowering and Strengthening Ohio's People (Cleveland, OH)  
Fair Housing Contact Service, Inc. (Akron, Ohio)  
Fair Housing Council of the San Fernando Valley (Panorama City, CA)  
Family Housing Resources (Arizona)  
Financial Pathways of the Piedmont (Winston-Salem, NC)  
Florida Alliance for Consumer Protection, Inc.  
Foreclosure Legal Assistance Project (Riverdale, MD)  
Friends of the North Country (Keeseville, NY)  
Garwyn Oaks Northwest Housing Resource Center (Baltimore, MD)  
Genesis Housing Developmet Corporation (Chicago, IL)  
GO Northwest HRC (Balitmore, MD)  
Golden Circle Real Estate (Mesa, AZ)  
Greater Phoenix Urban League (Phoenix, AZ)  
Greater Southwest Development Corporation (Chicago, IL)  
Green Forest H.O.M.E., Inc. (Decatur, GA)  
H.E.L.P. Community Dev. Corp. (Eatonville, FL)  
Hawaiian Community Assets  
HNDP, Inc. (Hagerstown, MD)  
HomeOwnership Center Inc. (Elkins, WV)  
Homes on the Hill, CDC (Columbus, OH)  
HomeSight (Seattle, WA)  
Homestead Consulting Services (Lafayette, IN)  
Housing & Education Alliance(Tampa, FL)  
Housing Action Illinois  
Housing America Corporation (Kingman, AZ)  
Housing and Community Development Network of New Jersey  
Housing and Economic Rights Advocates (HERA) (Oakland, CA)  
Housing Initiative Partnership/HIP Services, Inc. (Hyattsville, MD)  
Housing Opportunities of Beaver County (Beaver, PA)  
Housing Options & Planning Enterprises, Inc (DC, MD, VA)  
Housing Resource Center of Monterey County (Salinas, CA)  
Inland Fair Housing and Mediation Board (Rancho Cucamonga, CA)  
Inner City Christian Federation (Grand Rapids, MI)  
Integra Home Counseling, Inc (Tannersville, PA)  
Jacksonville Area Legal Aid, Inc. (Jacksonville, FL)  
Joseph Corporation (Aurora, IL)  
Korean Resource Center (Brea, CA)  
La Casa de Don Pedro (Newark, NJ)  
Labor's Community Service Agency (Phoenix, AZ)  
Latino Economic Development Center (DC, MD)  
Legal Aid Center of Southern Nevada (Las Vegas, NV)  
Legal Aid Society of Milwaukee (Milwaukee, WI)  
Legal Aid Society of Southwest Ohio, LLC (Cincinnati, OH)  
Legal Services for the Elderly in Queens (New York, NY)

Long Island Housing Services, Inc. (Bohemia, NY)  
MaineStream Finance (Bangor, ME)  
Maryland CASH Campaign (Baltimore, MD)  
Metro Community Development (Flint, MI)  
Metropolitan St. Louis Equal Housing Opportunity Council (St. Louis, MO)  
MFY Legal Services, Inc. (New York, NY)  
Miami Valley Fair Housing Center, Inc. (Dayton, OH)  
Michigan Legal Services  
Mid-Minnesota Legal Aid (Minneapolis, MN)  
Mon County Habitat for Humanity (Morgantown, WV)  
Mountain State Justice, Inc. (West Virginia)  
NANAY Community Economic Development Corporation (North Miami, FL)  
Neighborhood House Association (San Diego, CA)  
Neighborhood House, Inc. (Wilmington, DE)  
Neighborhood Housing Services of Chicago, Inc. (Chicago, IL)  
Neighborhood Housing Services of Greater Cleveland (Cleveland, OH)  
Neighborhood Housing Services of Phoenix (Phoenix, AZ)  
Neighborhood Housing Services of Southwestern Maricopa County, Inc. (Avondale, AZ)  
Neighborhood Legal Services (Lawrence, MA)  
Neighborhood Nonprofit Housing Corporation (Logan UT)  
Neighborworks Montana  
New Economy Project (New York)  
New Jersey Citizen Action  
New Kensington CDC (NKCDC) (Philadelphia, PA)  
New York Legal Assistance Group (New York, NY)  
New York Mortgage Coalition (New York, NY)  
Newark/Essex Foreclosure Taskforce (Newark, NJ)  
Newsed CDC (Denver, CO)  
NHS Phoenix (Phoenix, AZ)  
NJ Communities United (Newark, NJ)  
North Carolina Justice Center  
Northern Circle Indian housing Authority (Ukiah, CA)  
Northfield Community LDC (Staten Island, NY)  
Northwest Side Housing Center (Chicago, IL)  
Novadebt (Freehold, NJ)  
Oakland County Housing Counseling (Michigan)  
OC HOC (Santa Ana, CA)  
Ohio Poverty Law Center  
Old Pueblo Community Services (Tucson, AZ)  
OnTrack Financial Education & Counseling (Asheville, NC)  
Partners In Community Building, Inc. (Chicago, IL)  
Peoples' Self-Help Housing (San Luis Obispo, CA)  
Philadelphia Unemployment Project (Philadelphia, PA)  
Pratt Area Community Council (Brooklyn, NY)  
Precision Real Estate (West Virginia)  
Project LIFT (Houston, TX)

Public Justice Center (Baltimore, MD)  
Real Estate Education & Community Housing (Palm Beach Gardens, FL)  
Rockland Housing Action Coalition (New City, NY)  
RUPCO (Kingston, NY)  
Sacramento Foreclosure Action Team (Sacramento, CA)  
Sacramento Home Loan Counseling Center (Sacramento, CA)  
Schuylkill Community Action (Pottsville, PA)  
Select Milwaukee, Inc. (Milwaukee, WI)  
SLCAP (Salt Lake City, UT)  
SouthEastern Arizona Governments Organization (Bisbee, AZ)  
Spanish Coalition for Housing (Chicago, IL)  
St. Ambrose Housing Aid Center (Baltimore, MD)  
St. Petersburg Neighborhood Housing Services, Inc. d/b/a Neighborhood Home Solutions (St. Petersburg, FL)  
Strickland Associates (Roanoke Rapids, NC)  
SurePath Financial Solutions (San Jose, CA)  
Tampa Bay Community Development Corp. (Tampa Bay, FL)  
The Affordable Housing Partnership (Albany, NY)  
The Hagerstown Home Store (Hagerstown, MD)  
The Homeowners Employment Corporation (Atlanta, GA)  
The Housing Partnership, Inc. (Louisville, KY)  
To Each His Home Community Redevelopment Corporation (Texas City, TX)  
Toledo Fair Housing Center (Toledo, OH)  
Toledo Fair Housing Center (Toledo, OH)  
Trinity Empowerment Consortium (Homestead, FL)  
Tri-Valley Housing Opportunity Center (Livermore, CA)  
Urban League of Hampton Roads, Inc. (Virginia Beach, VA)  
Vermont Legal Aid, Inc (Montpelier, VT)  
Visionary Home Builders of California, Inc. (Stockton, CA)  
Watts/Century Latino Organization (Los Angeles, CA)  
We Help Community Development Corporation (Belle Glade, FL)  
West Bronx Housing and Neighborhood Resource Center (Bronx, NY)  
West CAP (Glenwood City, WI)  
Westchester Residential Opportunities Inc. (White Plains, NY)  
Woodstock Institute (Chicago, IL)

## **Following are the partners of Americans for Financial Reform.**

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Center for Effective Government
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Green America
- Greenlining Institute
- Good Business International

- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defender's League
- Information Press
- Institute for Agriculture and Trade Policy
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club



- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

*List of State and Local Partners*

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC

- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- New Yorkers for Responsible Lending

- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

***Small Businesses***

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ
- The Holographic Repatterning Institute at Austin
- UNET

