Americans for Financial Reform

This Week in Wall Street Reform | Oct 14 - 20, 2017

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MORE ON THE CFPB'S PAYDAY RULE

Payday rule wins battle, not war, for Black America I Chicago Crusader (Dorothy Leavett)
The announcement came after years of research by the CFPB, and a strong push by a broad-based coalition of leaders and activists who wanted rules to stop payday lending's debt trap…

People of all colors, professions and locales came together to convince CFPB that high-cost, unaffordable loans like payday and car-title, harmed rather than helped consumers everywhere. Across the country, payday and car-title lenders ply their wares, exploiting people in need of just a few hundred dollars. Instead of a quick, emergency loan, these products delve borrowers deeper in debt with every loan renewal.

New Federal rules for payday lenders. Will they help or harm consumers? I WKYC (Cleveland)
"I barely had enough left for groceries." "It truly saved my butt." "I just was not going to get a loan anywhere else." These are testimonials from people who say they took out Payday loans. It's easy to understand why they have such an allure. And it's why, when Sean Jackson needed money for unexpected car repairs, he went to a Payday lender to borrow $400.

"I thought it was a quick easy fix. But it was really just placing a band aid over a bullet wound," he said.

Short term loans are marketed as emergency help to get borrowers through to their next paycheck. They're often just a few hundred dollars and have to be paid back within two weeks. Problem is, according to the Consumer Financial Protection Bureau, four out of five borrowers can't repay that first loan and end up taking out more and more money. Sean described them as a "continuous vicious cycle."

Civil rights leaders, clergy back crackdown on payday lending I LA Sentinel (Charlene Crowell)
After five years of field hearings, town hall meetings, multiple research reports, and over one million comments, the Consumer Financial Protection Bureau (CFPB) announced on October 5 a new rule to rein in predatory payday and car-title loans.

"These protections bring needed reform to a market where far too often lenders have succeeded in setting up borrowers to fail. . . Faced with unaffordable payments, consumers must choose between defaulting, re-borrowing, or failing to pay basic living expenses or other major financial obligations," said Richard Cordray, CFPB Director.

Central to the CFPB's rule is the establishment of an ability-to-repay principle. High-cost loans of 45 days or less, as well as longer term loans that end in a balloon payment, must first take into account whether the loan is affordable when both borrower income and expenses are considered. These loans allow lenders to seize funds from either a borrowers' bank accounts (payday loans) or repossess vehicles that were used as collateral (car-title loans).

Rule Aims to Protect Mass. Residents From Payday Loan Abuses I Spare Change News

Consumer Guy: Debt is a Vampire I Coeur D'Alene Press (Bill Brooks)

Consumer bureau finalizes rule to stop payday debt traps I Lebanon Democrat
Tennessee Citizen Action welcomed the action and called on Tennessee lawmakers to pass an interest rate cap of 36 percent or lower for both short-term and long-term payday loans, a rate that has effectively protected residents of many other states from the payday debt trap.

End predatory payday loans I Grant County (Ind.) Chronicle-Tribune
The Consumer Financial Protection Bureau's new rules for payday loans and car title loans have drawn the predictable cries of outrage from lenders, particularly small storefront operators who say the restrictions will put them out of business. And it's an understandable complaint – after spending five years researching the market for high-cost credit, the bureau has fired a shot right at the heart of these lenders' business model.

But the outrage here isn't what the regulators are doing. It's the way these lenders have profited from the financial troubles of their customers. As the bureau's research shows, payday lenders rely on consumers who can't afford the loans they take out. With no way to repay their original loans other than to obtain further ones, most of these customers wind up paying more in fees than they originally borrowed.

Help the CFPB Stop Predatory Loans From Ruining Lives I Truthout (Jessica Juarez-Scruggs)

Sportscar team owner driver Scott Tucker found guilty of predatory lending I Autoweek
Tucker, 55, along with attorney and Tucker business associate Timothy Muir, 46, were found guilty on Oct. 13 on all 14 counts brought against them… Tucker's charges included collecting unlawful debts in violation of the federal Racketeering Influenced and Corrupt Organizations Act and violating the Truth in Lending Act.

Tucker's business, according to prosecutors, exploited 4.5 million people between 1997 and 2013, mainly through AMG Services Inc. -- lenders operating as Ameriloan and One Click Cash. The businesses charged as much as 700 percent interest on loans and brought in more than $2 billion -- some of which was believed to have financed Tucker's race team.

When Payday Loans Die, Something Else Is Going to Replace Them I The Atlantic
For years, the word most closely associated with payday loans has been predatory. These loans have been derided not just for how expensive they are, or how they tend to push borrowers into a series of recurring loans, but also because of who they target: poor and minority consumers who have few other banking options. New regulations released by the Consumer Financial Protection Bureau this month will seriously curb the supply of the most

dangerous and well-known versions of payday loans: small in amount, high in fees, with repayment periods of only a few weeks.

CFPB AND CONSUMER FINANCE

John Oliver Tears Into Equifax Executives for Colossal Data Breach I Mother Jones
On Sunday, John Oliver turned his attention to Equifax, one of the three big credit reporting agencies that revealed last month that hackers had breached into the company's data—compromising millions of people's personal information including social security numbers, birth dates, and home addresses.

"The point here is that it's a huge problem and in any other era this would have been the biggest news story for a month, but now that every day's headline is simply the words 'Everything Batshit Bananas Again Today," it slipped under the radar," Oliver said. "But it is worth asking how the hell did this happen."

Credit bureau lobby steps up industry image polishing following breach I Atlanta Journal-Constitution
New federal records released this week show Equifax increased its budget to lobby Congress and agency regulators by 12 percent between the second and the third quarters of this year. Roughly three weeks before the end of the third quarter, Equifax announced its system, which hosted millions of social security numbers, birth dates and addresses, had been compromised. It's unclear how much of the $280,000 the company spent went to repairing its image after company leadership learned of the massive hack on July 29 or the breach was made public on Sept. 7. The federal forms show only that overall spending increased by $30,000 from the prior quarter.

But the document includes notable details about what Equifax's lobbyists were focused on between July and the end of September. That includes a Consumer Financial Protection Bureau regulation curtailing the industry practice of forced arbitrations -binding customers to a mediation session with an arbiter and forcing them to waive their right to sue - and related legislation authored by Georgia U.S. Rep. Barry Loudermilk that would have curtailed class-action lawsuits against certain businesses. Equifax was excoriated last month for including forced arbitration language in the terms of service of the free credit monitoring it was offering its customers after the breach. The company quickly dropped the provision amid the public outcry, while Loudermilk, R-Cassville, abandoned his legislation, which would have limited class-action payouts if companies were sued.

Meet Monopoly Man - a nonbinary "cause-player" I Mic.com
How do you educate people about something extremely boring — but extremely important? Put it to music? Tell jokes? For Amanda Werner, a campaign manager for **Americans for Financial Reform** and Public Citizen, the answer was a bit more dramatic: gate-crash and photo-bomb one of the biggest congressional hearings of the year — featuring resigned Equifax CEO Richard Smith — dressed as Rich Uncle Pennybags, an act of "cause play," aka dressing in costume for a cause…

As Werner's organization sees it, these mandatory arbitration clauses amount to corporate “get-out-of-jail-free cards” for said companies, because they make it so hard for aggrieved customers to band together in class-action lawsuits, where they might have a stronger chance of winning.

Credit Unions File Class Action Suits Against Equifax I 24/7 Wall Street
The immediate ramifications for consumers are apparent and the fallout within Equifax was catastrophic, but now small financial institutions are entering the fray. Class action lawsuits against Equifax are now popping up across the country from these small firms to recover financial harms related to the breach.

The first lawsuit, led by Summit Credit Union, highlights the significant financial costs that will be incurred by small financial institutions due to the Equifax breach. The second lawsuit, led by Bank of Louisiana, Aventa Credit Union and First Choice Federal Credit Union, alleges that Equifax violated federal law.

Arbitration rules should stay unchanged I Juneau Empire (Dan McCue)
In a recent class action lawsuit against Ticketmaster, the court ordered the company to pay out $42 million over four years, and no less than $10.5 million per year to consumers. However, the reality of what consumer’s actually received is detailed in a NY Times article entitled, “Why You Probably Won’t Get to Use Your Ticketmaster Vouchers.”

Outlined in the article is the fine print of the settlement including the difficulty consumers have in actually receiving any remuneration.

Why would an Alaskan credit union support Wall Street’s fight to block Alaskans’ day in court? I Juneau Empire (Jim J. Davis, Jr.)
Recently, this paper ran a curious op-ed by Dan McCue, a Senior Vice President at Alaska USA Federal Credit Union. He argued that credit unions would be hurt if Congress does not block a new rule from the Consumer Financial Protection Bureau (CFPB) that restores Alaskans’ day in court. McCue’s position is surprising because Alaska USA Federal Credit Union — like virtually all credit unions in Alaska and nationwide — does not use forced arbitration. Indeed, a survey by the National Consumer Law Center could not find a single arbitration clause in any credit card or deposit account agreement offered by any Alaska credit union… Credit unions treat their customers fairly and don’t need to take away their day in court.

Credit unions also have an interest in their customers’ financial health, and will benefit if people have stronger tools to fight financial predators that drain assets, like the debt buyers who ignore Alaska’s laws and tack on illegal fees that make it harder to climb out of debt.

See statement by **Consumer Federation of America**

The truth about the arbitration rule is it protects American consumers I The Hill (Richard Cordray)
This summer, the Consumer Financial Protection Bureau issued a rule that prevents financial companies from using arbitration clauses to deny groups of consumers the ability to pursue their legal rights in court. We put this rule in place after conducting a comprehensive study that found that these clauses were effectively blocking billions of dollars of relief for millions of harmed

consumers. Opponents of our rule are now doing everything they can to prevent these protections from taking effect.

The latest effort is outlined in a recent column by Keith Noreika, the acting comptroller, which is his second gratuitous attempt to undermine the evidence that supports our rule. Both times he has relied on so-called analysis that is simply embarrassing.

Regulator Fight Flares Anew Over Arbitration Rule As GOP Gears Up To Vote I Wall St. Journal
The dispute relates to a regulation unveiled by the Consumer Financial Protection Bureau in July that makes it easier for consumers to bring group lawsuits by banning fine-print requirements for arbitration in financial services contracts. On one side of the fight is the CFPB led by Director Richard Cordray, an Obama appointee whose term runs till next July. Confronting him is acting Comptroller of the Currency Keith Noreika, a banking industry lawyer brought in by the Trump administration until a permanent replacement is confirmed. The unusual back-and-forth between the top regulators started when the CFPB rule was announced.

Regulator Blasts Wells Fargo for Deceptive Auto Insurance Program I NY Times
Wells Fargo engaged in unfair and deceptive practices, failed to properly manage risks and hasn't set aside enough money to pay back the customers it harmed, according to a confidential report by federal regulators. The report, prepared by the Office of the Comptroller of the Currency and reviewed by The NY Times, criticizes Wells Fargo for forcing hundreds of thousands of borrowers to buy unneeded auto insurance when they took out a car loan, as well as its handling of the problems once they were detected.

A Social Network Credit Union? Regulator Asks, 'Why Not?' I Wall St. Journal
Congress should consider allowing credit unions to serve communities that exist only online, the industry's top regulator said—remarks that could stir ire in the banking industry, which competes with credit unions and is fighting their ability to expand their fields of membership. National Credit Union Administration Chairman J. Mark McWatters said such a change would better reflect today's society. Under federal law, a credit union can serve a community with a "common bond," a concept that regulators and Congress have expanded over the years. The number of credit-union memberships in the U.S. has moved past 100 million in recent years, but the law still generally limits credit unions' field of membership to pools of people living or working near one another.

CFPB Moves Back to Renovated Building Near White House I Wall St. Journal
A consumer financial regulator some Republicans have been trying to kill for years is moving back to a fully renovated building in a prime location across from the White House.

The Consumer Financial Protection Bureau's director, Richard Cordray, is expected to move into the building at 1700 G St. NW this week following a $145 million renovation project. Mr. Cordray's term at the independent agency runs until July 2018 but Republican critics of the bureau have called on President Donald Trump to fire him.

Branch's closure sparks battle against "banking deserts" in Baltimore I Baltimore Sun
There's not much left of the Bank of America branch that closed at Reisterstown Road Plaza last month, just two still-working ATMs outside the building. Banks are shuttering brick-and-mortar branches across the country as the industry moves online and, looked at that way, 6538 Reisterstown Road in Northwest Baltimore is just one more of them.

And yet on a recent afternoon, a long line of people were waiting to use these ATMs – a line that grew longer when one of the machines quit working.

Earlier deadline for Senate to pass CRA resolution to override CFPB arbitration rule I Consumer Finance Monitor

'Secret Analysis' Pushing CFPB's Lawyer-Friendly Rule, U.S. Senators Told I Forbes
Keith Noreika, the acting Comptroller of the Currency, wrote the chairman and ranking member of the Senate Committee on Banking, Housing and Urban Affairs on Oct. 17 to complain that a proposed regulation will have disastrous results for both the financial services industry and its customers – while benefiting trial lawyers… Noreika says the rule will increase interest rates by at least 3.5 percent.

'Plague on both your houses': Cordray, Noreika get scolding from statisticians I Washington Post (Lorraine Woellert)
Lies and damned lies are usually avoided in polite company. Which brings us to statistics — and an escalating public duel between Richard Cordray and Keith Noreika. In an ideological showdown disguised as a math spat, the financial regulators — one an Obama appointee and the other a Trump pick — are brawling over probability, regression and coin flipping as they trade blows over the merits of class-action lawsuits. In Cordray v. Noreika, statisticians find fault on both sides. "A plague on both your houses. There isn't strong evidence either way," said Bruce Meyer, a professor at the University of Chicago.

DERIVATIVES, COMMODITIES, AND THE CFTC

New CFTC commissioners take aim at market, technology risk I Pensions and Investments
The two newest commissioners on the Commodity Futures Trading Commission said their focus will be on risk. Speaking at the Futures Industry Association Expo 2017 in Chicago on Wednesday, Brian Quintenz and Rostin Behnam gave a broad overview of what they'll do.

"In addressing policy, the focus of my commissionership first and foremost will be on risk, to address that appropriately to target rules and regulations," said Mr. Quintenz. "There are also unfortunately some situations where we've seen that one-size-fits-all regulations don't work."

CFTC Says ICO Tokens Can Be Commodities I Cryptovest

FEDERAL RESERVE

Trump to interview Yellen as final decision nears on Fed chair I Politico
President Donald Trump plans to formally interview Janet Yellen this week about potentially staying on as Federal Reserve chair, two people familiar with the matter said. The meeting will come as Trump nears a decision on filling the world's most important central banking job. Many Republicans on Capitol Hill want Trump to move on from Yellen, whose first term ends in February, and choose a more traditionally conservative Fed chair.

Trump's Five Finalists for Federal Reserve Chief: Pros and Cons I TheStreet

INVESTOR PROTECTION AND THE SEC

Wells Fargo to Compensate Clients for Volatility ETPs I Wall St. Journal
Wells Fargo WFC -0.64% & Co. agreed to compensate customers after recommending exchange-traded products linked to stock-market volatility without fully understanding the securities' risks. The Financial Industry Regulatory Authority ordered a brokerage division of Wells Fargo that has financial advisers around the country to pay $3.4 million for recommending the volatility ETPs between July 2010 and May 2012. "Certain Wells Fargo representatives mistakenly believed that the products could be used as a long-term hedge on their customers' equity positions in the event of a market downturn," Finra said Monday. In fact, the volatility ETPs are for short-term trades and their value can erode significantly over time, said Finra. The ETPs shouldn't be used as part of a long-term buy-and-hold investment strategy, according to the regulator.

SEC Names J.P. Morgan Executive as Top Regulator of Exchanges I Wall St. Journal
The Securities and Exchange Commission on Wednesday tapped J.P. Morgan Chase's top electronic-trading executive as a senior regulator, signaling an appetite for shaking up rules that are blamed for fragmenting trading across dozens of venues and fomenting the rise of high-frequency trading. Brett Redfearn will become the SEC's director of trading and markets, making him the agency's point person for regulating exchanges, broker-dealers and high-speed trading firms. As J.P. Morgan's global head of market structure, Mr. Redfearn has criticized some exchanges' business models and privileges, including the legal immunity they enjoy from many lawsuits.

Senate Panel Sets Hearing Next Week on Pair of SEC Nominees I Wall St. Journal

SEC Approves Chicago Stock Exchange's 'Speed Bump' for Trading I Wall St. Journal
The Securities and Exchange Commission has approved a plan by the tiny Chicago Stock Exchange to introduce a new "speed bump," a person familiar with the situation said. The Chicago exchange's speed bump is a brief delay designed to help protect slower traders from certain high-frequency trading strategies, and the SEC's decision comes as several other exchanges have also experimented with such delays.

MORTGAGES AND HOUSING

FHFA Adds Preferred Language Question to URLA I National Mortgage Professional
According to the FHFA, this decision will accommodate borrowers who self-identify as limited English proficient (LEP) and are more comfortable communicating in another language. The FHFA stressed that this action is "in the interest of all segments of the mortgage market." A separate disclosure translated into several languages will also be created to update borrowers about available language resources.

See statement by Americans for Financial Reform.

Equifax's Grip on Mortgage Data Squeezes Smaller Rivals I NY Times
Like it or not, when you apply for a home mortgage or to refinance an existing loan, Equifax will be a part of the process.

That's because, of the three major credit reporting agencies, only Equifax has a division, Equifax Mortgage Solutions, that supplies lenders with what is known as a merged credit report. These reports, which borrowers pay for, compile information provided by Equifax and the other two major credit reporting agencies, Experian and TransUnion.

Latest data on how Hurricanes Harvey and Irma affected mortgages I Housingwire

REGULATION IN GENERAL

Trump will nominate Joseph Simons for FTC chair I Politico
President Donald Trump will nominate antitrust attorney Joseph Simons as chairman of the Federal Trade Commission, moving to install a hand-picked leader at the consumer protection agency that's been without a permanent head for 10 months. He also will nominate Noah Phillips, chief counsel for Sen. John Cornyn (R-Texas), for the FTC and consumer advocate Rohit Chopra for the commission's open Democratic seat, according to the White House.

Trump's pick for consumer watchdog represented Microsoft and MasterCard I Washington Post
The White House said Thursday that President Trump intends to nominate Joseph Simons, a longtime expert in competition law, to head the Federal Trade Commission, America's top privacy and consumer protection agency.

The announcement ends months of speculation over who might lead the FTC and its efforts to regulate perceived monopolies and unfair business practices, at a time when many policymakers have raised questions about the growing consolidation of industries, including retail and media.

Trump Wants to Deconstruct the Administrative State. Can He? I NBC News (Susan Dudley)
The administration is most likely finding, however, that its promised "massive" cuts in regulations are not so easily achieved. For one thing, once issued a regulation often gains a constituency ready to fight for it. The courts may also give extra scrutiny to efforts to modify regulations

already in place. It takes as much time for agencies to remove or revise existing regulations as to develop new ones… His orders may slow regulatory growth by forcing agencies to focus more on improving existing rules and less on writing new ones — addressing the accumulated pebbles that inhibit economic growth. But his promise to cut regulation "massively" faces an uphill battle.

Congress created a regulatory scheme that keeps its hands clean I The Hill (Susan Dudley and David Schoenbrod)

RETIREMENT INVESTMENT AND DOL FIDUCIARY RULE

House panel approves legislation to kill DOL fiduciary rule, and 2 other adviser-related bills I Investment News
The House Financial Services Committee on Thursday approved legislation that would kill the Labor Department fiduciary rule and replace it with an investment advice regulation to be written by the Securities and Exchange Commission.

In a 34-26 vote along party lines, the panel sent the Protecting Advice for Small Savers Act to the House floor. The measure, written by Rep. Ann Wagner, R-Mo., reflects GOP concerns about the DOL rule, which requires brokers to act in the best interests of their clients in retirement accounts.

'Fee Only' Compensation Can Have Conflicts Too, Says FPA I Financial Advisor
Every financial advisory compensation model has conflicts, despite the fact that "fee only" is often promoted as conflict-free, says Financial Planning Association President Shannon J. Pike.

Advisors promote themselves as "fee only" because it is seen as a "better" compensation method in the industry, whether that is a flat fee, a monthly or yearly retainer, or some other model. But charging fees, rather than commissions on products sold, does not eliminate conflicts, FPA leaders told members of the press at the FPA annual conference in Nashville, Tenn.

Talk of Retirement-Savings Cap Rattles Financial Industry I MSN

STUDENT LOANS AND FOR-PROFIT SCHOOLS

Federal Trade Commission teams with state AGs to combat student debt relief scams I Washington Post
The Federal Trade Commission said Friday that it has formed a task force with 12 state attorneys general to crack down on student debt relief scams.

The federal-state initiative, dubbed Operation Game of Loans, is responsible for five cases against companies, such as Student Debt Doctor and American Student Loan Consolidators, accused of misleading borrowers about their ability to lower student-loan payments or illegally charging upfront fees before providing the service. The task force, which includes law enforcement in Maryland and the District, has frozen the assets of the accused and obtained temporary restraining orders to bring their operations to a halt.

Hensarling Commends DeVos for Refusing to Work With CFPB I Credit Union Times
House Financial Services Chairman Jeb Hensarling (R-Texas) is praising Education Secretary Betsy DeVos for refusing to cooperate with the CFPB and says he hopes it sets an example for other federal agencies

“Congress never authorized or intended the CFPB to be the regulator of educational services, yet the CFPB entered the field regardless,” Hensarling said in a Friday letter to DeVos.

SYSTEMIC RISK

Cohn: Congress nearing deal to ease bank regulations I The Hill
Top White House economic adviser Gary Cohn said Monday that Congress could act to exempt major United States banks from tight Dodd-Frank Act banking rules by the end of 2017. Cohn, speaking to a banking industry conference in Chicago, said the White House and lawmakers from both parties are nearing an agreement to raise the threshold at which a bank is considered a “systemically important financial institution" (SIFI). Such banks are subject to stricter federal oversight and higher stability standards. Cohn said that the new SIFI threshold be raised to at least $200 billion from its current level of $50 billion.

Florida Representatives would deregulate some of our biggest Banks I Medium.com (Bill Newton)
Several Florida members of Congress including Alcee Hastings, Stephanie Murphy, and Bill Posey, are cosponsors of HR 3312, the Systemic Risk Designation Improvement Act, which, of course, does not do that. The bill instead loosens controls put in place after the debacle of 2008 to protect consumers from another similar collapse. These members of Congress, in particular, style themselves as protectors of consumers and have actually done that in the past. But this bill is very dangerous to the financial interests of Florida consumers.

“Super-regional” banks — some two dozen banks that are greater than $50 billion in size but not among the eight largest U.S. banks — are pushing to be set free from key risk controls that were put in place after the crisis. HR 3312 in the House and S. 1893 in the Senate would put unprecedented new restrictions on the capacity of the Federal Reserve to control risks at banks of this size to ensure they can fulfill their obligations without going bust. These restrictions would weaken the authority of regulators even compared to the period before the 2008 financial crisis, undermining safety and soundness protections that go back to the 1950s.

A Shortsighted Plan to Scrap Dodd-Frank’s Liquidation Rules I NY Times (Gina Chon)
Global bank watchdogs are acting as a line of defense against an American deregulatory push. The Treasury Department will soon decide whether to recommend scrapping the Dodd-Frank Act’s rules for liquidating failing banks, as some Republicans are urging. But foreign regulators are threatening to impose new curbs on American firms if it’s ditched. What’s known as Orderly Liquidation Authority was established in Dodd-Frank to avoid confusion if a complex financial institution fails, like Lehman Brothers did a decade ago.

TAXES

Senate Approves Budget Plan That Smooths Path Toward Tax Cut I NY Times
The Senate took a significant step toward rewriting the tax code on Thursday night with the passage of a budget blueprint that would protect a $1.5 trillion tax cut from a Democratic filibuster.

House GOP to Keep Higher Tax Rate on Wealthy, Ryan Says I Bloomberg
House Speaker Paul Ryan said Friday that Republicans will include a fourth income tax bracket in their tax-overhaul plan so that top earners "do not see a big rate cut."

"This is about the people, about half of which in this country are living paycheck to paycheck, and giving them a break on their taxes," Ryan said on "CBS This Morning." The speaker said he disagreed with White House economic adviser Gary Cohn's statement that he can't guarantee some middle-class Americans won't pay more taxes under the plan.

The tax framework Republicans issued last month called for collapsing the current seven income tax brackets into three -- 12 percent, 25 percent and 35 percent -- while leaving open the possibility of a fourth rate for the highest earners. He said it hasn't been decided if the fourth bracket will remain at the current top rate of 39.6 percent.

Builders pushing 'homeownership' tax credit I PoliticoPro
The National Association of Home Builders is urging Congress to adopt a homeownership tax credit that would replace the current mortgage-interest deduction. The credit would bundle mortgage interest and property taxes into a single tax break that could be taken without itemizing, NAHB Chief Executive Officer Jerry Howard said.

"If this credit is structured properly, it would be available to more people, particularly middle-income people, and be a true incentive for them to become homeowners," Howard told POLITICO. The position aligns NAHB with economists and affordable housing advocates who have long called for an end to the mortgage-interest deduction, the benefits of which flow increasingly to wealthier Americans.