

## **Mortgage Bankers Association (MBA) Hails Passage of Economic Stabilization Package, Tax Extenders**

October 3, 2008

The Mortgage Bankers Association (MBA) today applauded the House of Representatives' passage of H.R. 1424, the Emergency Economic Stabilization Act of 2008. The bill, which establishes a program at the Treasury Department to purchase distressed mortgage-related assets, also includes the extension of several tax provisions that will help steady the American economy.

“The ongoing credit crunch has severely impacted the ability of individuals and businesses of all sizes to borrow, and has threatened to slow down the entire U.S. economy,” said John A. Courson, MBA’s Chief Operating Officer. “We very much appreciate the hard work and long hours that Congressional and Administration negotiators have put in over the last several weeks and look forward to the quick implementation of the program. This will enable financial institutions to offer credit so individuals can purchase homes and other items and businesses can continue to operate and grow.”

The bill will allow the Treasury to purchase up to \$700 billion in distressed mortgage related assets from financial institutions in an effort to increase liquidity and restart the seized credit markets. The true long term cost of the program may be far less than \$700 billion as the Treasury has the discretion to redeem or sell the assets, sometimes at a profit, when the market recovers. The bill would also temporarily increase the amount of deposit insurance provided for individuals by the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) to \$250,000.

The bill also extends a number of tax provisions that were due to expire. Among them are:

- Deductibility of forgiven mortgage debt;
- \$1000 property tax deduction for non-itemizing couples;
- Deductions for energy-efficient commercial buildings;
- Allowance for expensing of brownfields environmental remediation costs;
- Accelerated cost recovery for qualified leasehold improvements.

“These tax provisions are important to residential, multi-family and commercial borrowers and lenders and will encourage expansion in the real estate sector which can be the engine to drive economic growth in this country,” continued Courson. “A number of them are items that MBA has fought for over a number of years and we are pleased that Congress passed them before they expired.”

The bill passed the House today by a vote of 263-171. It passed the Senate on Wednesday and will now go to the President for his signature.

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**The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 370,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,400 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: [www.mortgagebankers.org](http://www.mortgagebankers.org).**