



MORTGAGE BANKERS ASSOCIATION

April 3, 2024

The Honorable Mike Kelly
1707 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jimmy Panetta
304 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressmen Kelly and Panetta:

On behalf of the Mortgage Bankers Association (MBA)¹, I am writing to express our association's support for H.R. 1321, the *More Homes on the Market Act*. As the Ways and Means Committee prepares for consideration of tax-related legislation, either later this year or during the 119th Congress (when many provisions of the *Tax Cuts and Jobs Act* (Public Law 115-97) are set to expire), your bill establishes an important marker for the expected policy debate on the federal tax code's impact on residential real estate markets.

H.R. 1321, if enacted, would double the capital gains tax exclusion on the sale of a principal residence to \$500,000 for single filers and \$1 million for joint filers, providing much-needed relief to homeowners looking to either downsize or relocate. Importantly, the bill also corrects the failure to index the exclusion to inflation since its inception in 1997, which has significantly diminished its value, exacerbated the shortage of available homes, and impeded mobility for older homeowners – as well as younger households looking to “move up.”

By accounting for the erosion of the current law exclusion's effectiveness, your bill appropriately addresses the issue of current housing market stagnation caused by anticipated tax burdens from property gains – and would consequently increase marketplace velocity by encouraging taxpayers to engage in sales. These sales would, in turn, provide new opportunities to expand production, improve affordability, and address the national housing supply shortage. The proposal will also help families protect their savings tied to the wealth they have accumulated in their homes.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 390,000 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 to 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 more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

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Thank you for your bipartisan commitment to policies that support a more effective and equitable path to wealth building through homeownership. MBA is grateful for your continued leadership and stands ready to collaborate with you to facilitate the passage of this meaningful legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Killmer", with a long horizontal flourish extending to the right.

Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: The Honorable Jason Smith, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means