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Joe Courtney  
Congress of the United States  
2nd District, Connecticut  
November 17<sup>th</sup>, 2014

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The Honorable John Boehner  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

Dear Speaker Boehner:

As you consider action on tax extenders in the lame-duck session, I urge you to prioritize tax relief for mortgage forgiveness. Having allowed mortgage debt forgiveness to expire on December 31st, 2013, Congress added to the burden of our nation's financially stressed homeowners. However, there is still time for Congress to reverse this unfair federal income tax liability, to protect these struggling homeowners, and to ensure that our nation's housing market is able to fully recover.

Originally passed as the Mortgage Debt Relief Act of 2007, this tax provision provided relief to thousands of struggling homeowners who have had debt forgiven as part of a foreclosure or short sale as well as those who have had debt reduced as part of a mortgage restructuring. Without a retroactive extension of this tax relief, millions of distressed American homeowners in difficult financial situations face even further and unnecessary financial stress. After encountering such a traumatic loss, our neighbors and constituents who have lost their homes should not be confronted with such a massive and unjust tax liability. Mortgage debt forgiveness should not be treated as part of a struggling family's gross income. This income was never earned and should not be treated as if it were.

In addition to the burden this expiration places on our struggling homeowners, I am extremely concerned about its impact on our housing recovery. I have heard from many realtors in my home state of Connecticut who continue to have large backlogs of pending short sales. Based on information provided to and compiled by the Connecticut Multiple Listing Service, as of October 20th 2014, with the exclusion of Fairfield County, there were 750 short sales under deposit and over 1,118 short sales on the market in Connecticut alone. Given the time it takes to process these short sales, the permanent loss of this tax exemption could have a significant impact on both these pending and future sales.

In order to address these inventories and ensure that our housing market remains on track, we must protect our recovering housing market and grant tax relief for our struggling homeowners. I look forward to working with you, and our colleagues on both sides of the aisle, to help nation's struggling homeowners and bring legislation to the floor to retroactively extend this vital tax exemption.

Sincerely,

  
JOE COURTNEY  
Member of Congress