



For Immediate Release

December 18, 2007

**Senator Gregg Applauds House Passage of
Mortgage Forgiveness Legislation**

Senator Judd Gregg, ranking member of the Senate Budget Committee, today applauded House passage of his legislation that will make the lives of millions of American homeowners who have been affected by the downturn in the housing market easier.

Senator Gregg offered the proposal last week in the Senate, which approved it on December 14. The legislation will now be signed into law.

“I thank my colleagues on the House side who have agreed to help the hundreds of thousands of American homeowners who are faced with the traumatic experience of losing their homes,” said Senator Gregg. “I look forward to seeing this legislation signed into law in order to remove the burden of unfair tax bills from homeowners who have already been dealing with months of legal wrangling with lenders.”

The crisis in the housing market is hurting millions of homeowners, and foreclosures are rising dramatically. More than 600,000 U.S. homes are currently in foreclosure and more than 3 million Americans are currently behind on their mortgage payments. Senator Gregg’s legislation encourages individuals and their lenders to negotiate a solution to avoid additional foreclosures by offering temporary tax relief.

The Gregg legislation permits any homeowner who obtained a mortgage before January 1, 2007 to receive mortgage forgiveness from their lender, tax free. The bill covers restructured mortgage agreements entered into after January 1, 2007 and before December 31, 2009. The tax forgiveness is available on mortgage indebtedness of up to \$2 million.