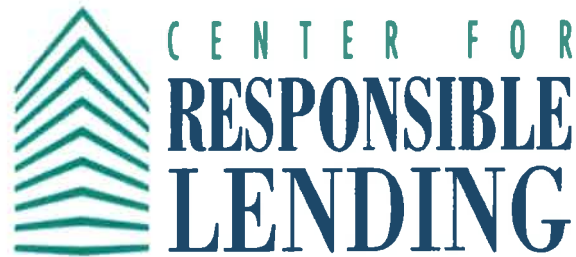


THE FINANCIAL SERVICES ROUNDTABLE

Financing America's Economy



November 28, 2012

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
1101 Longworth House Office Building
Washington, D.C. 20515

The Honorable Sander M. Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1106 Longworth House Office Building
Washington D.C. 20515

Dear Chairman Camp and Ranking Member Levin,

We are writing to ask you to extend the Mortgage Forgiveness Debt Relief Act before it is scheduled to sunset at the end of this year. This tax law has bi-partisan support and is critical to helping homeowners and communities struggling with the ongoing foreclosure crisis. Furthermore, the housing market is beginning to show signs of a recovery, and expiration of this law would threaten that recovery.

The Mortgage Forgiveness Debt Relief Act was originally passed in 2007 and prevents homeowners who are underwater on their mortgage from receiving a tax bill if they sell their home through a short sale or receive a loan modification that includes principal

reduction. If Congress allows the law to expire, then homeowners who are working with their servicer could end up owing more in taxes if they receive any kind of mortgage debt forgiveness. This would make it more difficult and expensive for these homeowners, who are already financially struggling, to accept short sales and many loan modification offers. Allowing the law to expire would harm these families and their communities, and it would run counter to current loss mitigation efforts.

Congress should make an extension of this law a top priority in order to help as many homeowners facing foreclosure as possible. Our tax policy should not result in bad housing policy that will prolong a foreclosure crisis that has already gone on for too long.

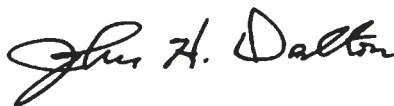
Sincerely,



Tim Pawlenty
President & CEO
The Financial Services Roundtable



Mike Calhoun
President
Center for Responsible Lending



John H. Dalton
President
Housing Policy Council