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BAUCUS APPLAUDS FINANCE PROVISIONS IN HOUSING BILL
Finance panel crafted measures to shore up shaky loans, help first-time homebuyers, provide tax relief to businesses losing money in economic downturn

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the inclusion in a new housing bill of mortgage and tax relief provisions crafted by the Finance panel earlier this month. The Foreclosure Prevention Act of 2008, introduced last night by Majority Leader Harry Reid (D-Nev.), contains an extension of the “net operating loss carryback” law, which will allow struggling businesses – including America’s homebuilders – to write off current losses over a longer period of years and recoup more cash to stay afloat now. The Finance Committee included that provision, as well as a measure providing \$10 billion in mortgage revenue bonds, in the comprehensive economic stimulus bill the panel approved on January 30. The mortgage bonds will help housing finance agencies to refinance subprime loans and to provide more housing options for homebuyers and renters.

“The Finance Committee crafted several important provisions to help America’s sagging housing sector, and it’s right for the Senate’s new housing bill to build on that good work,” said Baucus. **“The economic slowdown is draining the housing sector dry, and the Finance Committee’s tax provision can pump a little liquidity back into those businesses’ bottom lines. Likewise, the mortgage revenue bonds in the Finance stimulus bill can boost home financing safely and effectively. Congress needs to enact these and other smart provisions to shore up the housing sector now.”**

For companies losing money in this economic downturn, the Finance Committee approved a provision allowing corporations to apply excess net operating losses to tax returns from prior profitable years and receive any applicable refunds. For 2006, 2007, and 2008 losses, the “net operating loss carryback” will be extended to five years from the two years currently in law.

The committee also approved a provision providing additional \$10 billion of tax-exempt private activity bond authority to be used to refinance subprime loans, provide mortgages for first-time homebuyers, and for multifamily rental housing. The measure also exempts interest earned on the bonds from the alternative minimum tax.

The Senate is expected to consider the Foreclosure Prevention Act of 2008, including these provisions, following the February home state work period.

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