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Paulson Statement on Passage of Mortgage Debt Forgiveness Bill

Henry M. Paulson Jr.

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U.S. DEPARTMENT OF THE TREASURY

Press Center

Paulson Statement on Passage of Mortgage Debt Forgiveness Bill

12/18/2007

Washington, D.C.--The Treasury Department released a statement from Treasury Secretary Henry M. Paulson, Jr. upon passage of legislation that would provide temporary tax relief for homeowners facing increased taxes due to forgiven mortgage debt.

"I thank both the Senate and the House for their quick passage of this important piece of legislation. Homeowners who restructure their mortgages to avoid foreclosure should not be hit with a tax bill as a result. This legislation will temporarily exclude homeowners who have restructured their mortgage loans from having to paying taxes on the mortgage debt forgiven.

"Today's legislation is one piece of a larger plan the President has put forward to help able homeowners avoid foreclosure. I'm also eager to see final Congressional action on the other pieces, including GSE and FHA reform and allowing state and local authorities more tax-exempt bond authority to help homeowners refinance their existing loans.

"Preventing avoidable foreclosures will reduce the impact of the housing slowdown on homeowners, our communities, and our economy."

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