

Mortgage bill advances in Senate

by UPI

WASHINGTON -- Senate Democrats and Republicans struck an agreement on a bill that would offer aid to people and cities hit hard by the housing slump and mortgage crisis. The multibillion-dollar compromise could be approved by the Senate as early as Thursday, The Washington Post reported. The bill would allow a standard property tax deduction of \$1,000 for couples and \$500 for individuals for tax filers who don't itemize. It also would provide \$10 billion in tax-exempt bonds for local housing agencies to refinance subprime loans and offer mortgages for first-time home buyers; \$4 billion in grants for local governments to buy foreclosed properties and \$100 million for counseling programs for at-risk homeowners. It would give a \$7,000 tax credit to purchasers of foreclosed homes and would permit hard-hit home builders to charge off losses this year and next against taxes paid for the four previous years, up from two. Officials said the proposals would cost taxpayers \$15 billion to \$20 billion, the Post said. "We helped Wall Street. We're all glad that Bear Stearns was taken care of," Senate Majority Leader Harry Reid, D-Nev., said Wednesday. "But now it's our opportunity to take care of people on Main Street."

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