



## Tom Payne

Senior Loan Consultant, loanDepot  
 NMLS# 1017004 #174457 Licensed in all 50 States  
 2835 St. Rose Parkway, Suite 120 Henderson, NV 89052

Office: 702-303-0243  
 Mobile: 702-303-0243  
[tompaynemortgage@gmail.com](mailto:tompaynemortgage@gmail.com)  
[View My Website](#)

## Builders Blast Tax Proposal; Realtors not Smiling Either

Congressional leadership and the Trump Administration stand accused of "abandoning middle-class taxpayers in favor of high-income Americans and wealthy corporations" by the National Association of Home Builders (NAHB). The remark came in a statement from NAHB Chairman Granger MacDonald regarding Thursday's release of the framework for the long anticipated Republican tax reform proposal. The National Association of Realtors (NAR) also released a statement critical of the plan, but withheld talking about specifics pending further review.

MacDonald had no such reservations. In the statement, which carried the headline "Republican Tax Reform Plan Slams Middle Class," he said, "The bill eviscerates existing housing tax benefits by drastically reducing the number of home owners who can take advantage of mortgage interest and property tax incentives," and that "Capping mortgage interest at \$500,000 for new home purchases means that home buyers in expensive markets will effectively lose this housing tax benefit moving forward."

The bill, is expected to hit **heavy headwinds** from other lobbying groups as well. It cuts the corporate tax rate from 35 percent to 20 percent but appears not to eliminate many of the current exemptions that cut the average corporate tax bill to 18 percent. The bill would reduce the current six tax brackets to four; 39.6 percent for households making more than \$1 million annually, and 35 percent on incomes from \$260,000 to \$1 million. A 25 percent rate would apply from \$90,000 to \$260,000, and percent from \$24,000 to 90,000. Households making less than \$24 would pay no income tax.

The plan also:

- Caps the mortgage-interest deduction on new home sales at \$500,000 rather than the current \$1 million for couples filing jointly.
- Caps deductions for state and local property taxes at \$10,000 and repeals other state and local tax deductions.
- Eliminates deductions for student loan interest
- Taxes endowments at large schools at a 1.4 percent rate.
- Raises the childcare tax credit from \$1,000 to \$1,600, and
- Leave provisions for 401(k) retirement savings plans untouched.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

## Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Granger further charged that "The House leadership killed a cost-effective plan proposed by NAHB that Ways and Means Committee leaders agreed to include in the legislation. It would provide a robust homeownership **tax credit** that would have helped up to 37 million additional home owners who do not currently itemize. Most of them are low- and moderate-income home owners.

"Meanwhile, as corporations receive a major tax cut, small businesses, which generate the lion's share of job growth, get limited relief.

The bottom line, according to Granger, "Congress is ignoring the needs of America's working-class families and small businesses. And by undermining the nation's longstanding support for homeownership and threatening to lower the value of the largest asset held by most American families, this tax reform plan will put millions of home owners at risk."

When early details about the plan began to leak out, NAHB seemed **ready to abandon** the mortgage interest deduction as long as the low-income tax credit stayed in place. However, they said over last weekend that they felt betrayed by the refusal of House Speaker Paul Ryan to allow inclusion of their tax credit in the bill presented to the House. They announced then that they would spend the money they had set aside to lobby in favor of the tax proposal to fight against it instead.

The statement from NAR President William E. Brown said, "We are currently reviewing the details of the tax proposal released today, but at first glance it appears to confirm many of our biggest concerns about the Unified Framework. Eliminating or nullifying the tax incentives for homeownership puts home values and middle-class homeowners at risk, and from a cursory examination this legislation appears to do just that. We will have additional details upon a more thorough reading of the bill."

## Update: Buyer Broker Agreement

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its "Proposed Criteria for Evaluating Home Buyer Contract Forms" on Tuesday. The 15 criteria focus on the contracts' form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document's expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker's compensation clearly stated and that the buyer broker can't receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker's commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

Contact me for more information. 702-303-0243 or [TPayne@loandepot.com](mailto:TPayne@loandepot.com)

We are a direct nationwide lender.  
EQUAL HOUSING LENDER

**Tom Payne**

