



Johnny Isakson

United States Senate Georgia

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Isakson Continues Push to Stimulate Housing Market *Introduces Legislation to Expand Tax Credit for Homebuyers, Cites Endorsement by Business Roundtable*

WASHINGTON – Drawing on more than three decades of experience in the real estate industry, U.S. Senator Johnny Isakson, R-Ga., today introduced legislation to invigorate housing demand and to boost the economy by expanding the first-time homebuyer tax credit passed by Congress earlier year.

"The first-time homebuyer tax credit has made a difference. First-time home buyers used it and the market stabilized, but we don't have a recession in first-time home buyers. We have a recession in the move-up market," Isakson said. **"One of the biggest problems facing the American people today is an illiquid housing market, a decline in their equity, a decline in their net worth and a depression in the housing market that we are obligated to correct if we possibly can."**

Specifically, Isakson's legislation would increase the maximum amount of the credit from \$8,000 to \$15,000 and expand the current tax credit so that it applies to any buyer of any home, not just first-time buyers. The legislation also would eliminate the income caps of \$75,000 for an individual and \$150,000 for a couple under the current tax credit so that there is no income limit for eligibility. Finally, the legislation would extend the tax credit for one year from date of enactment and would still allow homebuyers to claim the credit on their 2009 tax return for purchases made in 2010.

"The man who is transferred from Missouri to Georgia can't sell his house in Missouri, can't come to Georgia and can't take the transfer. His employer can't afford to buy the house and hold it for him because of the proliferation of inventory that is owned," Isakson said. **"Today, in the United States, one in two sales made every day is a short sale or a foreclosure. That is an unhealthy market, and it is continuing to precipitate a downward spiral in values, loss of equity by the American people and a protracted, difficult economic time for our country."**

Isakson immediately picked up a bipartisan group of co-sponsors for his legislation, including Senators Lamar Alexander, R-Tenn., Jim Bunning, R-Ky., Saxby Chambliss, R-Ga., Chris Dodd, D-Conn., John Ensign, R-Nev., Joe Lieberman, ID-Conn., Lisa Murkowski, R-Alaska, James Risch, R-Idaho, and David Vitter, R-La.

In addition, the National Association of Realtors and the Housing Working Group of Business Roundtable today endorsed Isakson's efforts to expand the current homebuyer tax credit as part of recommendations to help return stability and growth to the U.S. housing market.

In announcing its endorsement of the expansion of the homebuyer tax credit as well as other recommendations to boost the housing market, Richard A. Smith, President and CEO of Realogy Corporation and Chair of Business Roundtable's Housing Working Group, said, **"We recognize the earlier efforts made by the Administration and Congress, but strongly recommend taking additional steps to jumpstart the lagging housing market in order to stimulate a broader economic recovery. If the housing market is not corrected or stabilized, the tide of the recession is not likely to reverse in the near term, and the slide in the economy overall will continue. We believe targeted, demand-side solutions – such as the ones Business Roundtable is recommending today – will provide a critical next step for a housing recovery that will help create jobs and boost the economy as a whole."**

Isakson has pushed hard for a non-repayable tax credit for homebuyers because he knows that it will work. In the mid-1970s, America faced a similar housing crisis when a period of easy credit and loose underwriting

flooded the market with new construction. Interest rates rose, the economy slowed and America was left with a three-year supply of vacant homes. Congress responded by passing a \$2,000 tax credit for anyone purchasing a new home for their principal residence. Isakson, who was in the real estate industry in Atlanta at the time, says the results were clear and swift as home values stabilized, housing inventory dropped and the market recovered.

Isakson spent more than three decades in the real estate business, beginning his business career in 1967 when he opened the first Cobb County, Ga., office of a small, family-owned real estate business, Northside Realty. Isakson later served as president of Northside for 20 years, presiding over the company's growth into the largest independent residential real estate brokerage company in the Southeast and one of the largest in America.

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