

United States Senate

WASHINGTON, D.C. 20510

May 1984

Dear Friend:

Buying a home in which to share a lifetime with one's family is an integral part of the American dream. I strongly support safeguarding this tradition, and I was concerned by President Reagan's statement of April 12 indicating that he had not ruled out eliminating the home mortgage interest deduction. I can think of no tax change which would be more unfair to middle-income Americans or more damaging to a vital sector of our economy.

Consequently, I introduced a sense-of-the-Senate resolution urging the Administration to retain the current home mortgage interest deduction as an essential component of an equitable tax system. I am pleased to report that President Reagan has heeded my advice and reversed his position by announcing that he would keep the mortgage interest deduction intact.

Millions of Americans scrimp and save to come up with a down payment and struggle to make monthly interest payments. These same Americans often find the mortgage interest deduction to be their key to financial survival. It is this same group of Americans -- those whose ability to buy a home depends on the deductability of their interest -- that bears the brunt of the tax burden. It would simply be bad public policy to yank the rug out from under the feet of these Americans by taking away their only real tax break.

In 1981, the Administration suggested legislation limiting the home mortgage interest tax deduction, so I introduced a resolution requesting that the Senate not even consider it. My resolution was adopted by a vote of 83 to 0; consequently, the Administration dropped its proposal. Any effort to limit or cut off deductions for home mortgages was a bad idea then, and it is a bad idea now.

I assure you that I will continue to work against any legislative proposal which would eliminate this crucial tax deduction. I hope I have your support in this effort.

Sincerely,


Lloyd Bentsen

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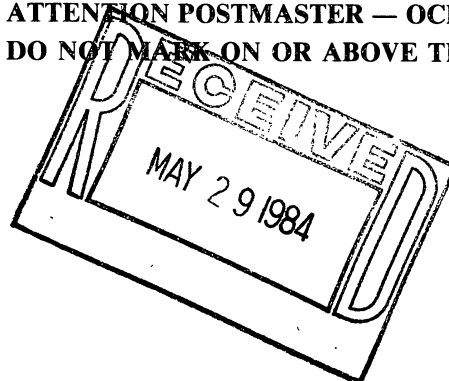
Lloyd Bentsen

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