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Mortgage Insurance Tax Deduction for Low and Moderate Income Homeowners Increases Average Deduction per Return Also Rises in 2013 According to New IRS Data

According to new data released by the Internal Revenue Service (IRS), approximately 4.7 million taxpayers benefited from a deduction for private Mortgage Insurance (MI) in 2013, up from 4.1 million in 2012. Of the taxpayers that took the deduction for private MI, 82% of them had adjusted gross incomes between \$30,000 and \$100,000 and the average amount per return rose to \$1,387 in 2013, up from \$1,304 in 2012. The total estimated net tax benefit topped \$900 million, up from approximately \$750 million in 2012.

“Mortgage insurance is helping millions of middle income families achieve homeownership,” said Rohit Gupta, President and CEO of Genworth Mortgage Insurance and Chair of U.S. Mortgage Insurers (USMI). “Congress has recognized that MI premiums are the economic equivalent of mortgage interest and should be deductible from federal income taxes in a similar manner. We urge Congress to ensure this important provision of the tax code is extended.”

On December 17, 2014 Congress passed a one year extension of vital homeowner tax relief that included the tax-deductible treatment of mortgage insurance premiums for low and moderate income borrowers, after it had expired at the end of 2013. On July 21, 2015 The Senate Finance Committee approved legislation with a two year tax extension of MI deductibility, and the House Ways & Means Committee is expected to consider similar legislation in September. USMI believes that the ability of borrowers to deduct MI premiums from federal income taxes should be made permanent.

The IRS data for 2013 is available at <http://www.irs.gov/uac/SOI-Tax-Stats-Individual-Income-Tax>Returns-Publication-1304-%28Complete-Report%29>

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About USMI

U.S. Mortgage Insurers (USMI) is dedicated to a housing finance system backed by private capital that enables access to housing finance for borrowers while protecting taxpayers.

Mortgage insurance (MI) offers an effective way to make mortgage credit available to more people. USMI is ready to help build the future of homeownership.
