



Dear MBA Member:

This week, President Joe Biden unveiled the [American Families Plan](#), a \$1.8 trillion addition to the previously announced \$2.3 trillion American Jobs Plan.

On the expenditure side, the plan would increase spending on a variety of social programs. To pay for this, President Biden has proposed a series of tax increases. Unfortunately, many of these proposed changes could significantly disrupt real estate markets and create disincentives to investment in commercial, multifamily, and single-family properties. The proposals would increase tax rates on capital gains, eliminate “step-up” provisions, dramatically scale back the 1031 “like-kind” exchange, increase corporate and individual tax rates, and more. This [summary](#), which MBA developed, covers the broad real estate-related points of the president’s plan.

Last Fall, MBA anticipated tax reform would be a central tenet of this new administration. As a result, MBA’s Board of Directors created a blue-ribbon task force, consisting of a diverse group of MBA members and business models in the residential, commercial, and multifamily sectors.

Given political realities and the tight majorities in both the House and Senate, the administration’s proposal should be seen as an opening bid. However, any of the real estate-related proposals could have serious implications for MBA’s members and – even more importantly – the market as a whole. I can assure you that we have already been in discussions on the Hill and will continue our advocacy against any threat to real estate finance markets.

I would be remiss if I did not remind you that MBA’s National Advocacy Conference is happening May 11-12, online, via MBALive. During this event, you will hear from key legislators and be able to visit virtually with your senators or member of Congress and explain how these tax proposals will affect your business. If you have not already signed up, I encourage you to review the program lineup and register [here](#). The National Advocacy Conference will be a critical opportunity for us to hear from – and educate – key congressional leaders about the importance of these and other issues.

MBA will remain closely engaged with policymakers in the administration and Congress as this process unfolds and will fiercely advocate on behalf of the real estate finance industry. As always, please reach out with any questions or concerns.

Best Regards,

A handwritten signature in black ink, appearing to read "R. Broeksmit". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert D. Broeksmit, CMB

President & CEO

Mortgage Bankers Association