

***AB 946 will make it possible for approximately 23,000 families to become first-time homebuyers.***

## **Homeownership is out of reach for far too many Californians**

- Saving enough money for a down payment is the largest obstacle to first-time homeownership in California, especially because rentals generally cost more than 30% of a household's income.
- Only 30% of Californians can afford to buy a median-priced home, and as a result the state's homeownership rate is the second lowest in the nation.
- Only 34.5% of Black people and 41.9% of Latinos are homeowners.

## **The elimination of the mortgage interest deduction on second homes would have no effect on most California homeowners**

- People who rent out their second home and do not use it as a residence for at least 14 days, or occupy the unit for 10% of the number of days it is rented out, are not impacted by this change because they do not currently qualify for the mortgage interest deduction on a second home.

## **AB 946 ends an unneeded tax break offering minimal benefits to the 3% of Californians who can afford two homes and instead directs funding to first-time homebuyers**

- California's mortgage interest deduction for second homes costs taxpayers approximately \$230 million annually.
- Of the less than 2.8% of Californians who currently write off mortgage interest on vacation homes, the average owner would owe only an additional \$1,000 a year in taxes.

## **AB 946 will make it possible for approximately 23,000 families to become first-time homebuyers through the California Housing Finance Agency's MyHome Assistance Program and other homeownership programs**

- Ending this tax break for vacation homes would create a \$230 million loan and assistance pool to support first-time homebuyers.
- 71% of loans go to people making less than \$100,000 annually.
- 65-70% of CalHFA first-time home loans go to communities of color, helping to reverse historic redlining policies.
- CalHFA's operations are funded by revenues generated through its mortgage loan programs. \$230 million in annual investments with compounding returns will result in more than 23,000 additional homeowners after only a few years.

**VOTE YES ON AB 946**