

Congress of the United States
House of Representatives
Washington, DC 20515

October 1, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232, The Capitol
Washington, DC 20515

The Honorable John Boehner
House Republican Leader
H-204, The Capitol
Washington, DC 20515

Dear Speaker Pelosi and Leader Boehner,

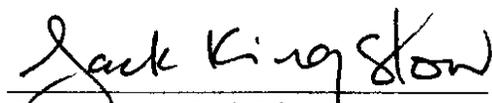
It is imperative that Congress acts to address instability in the markets. As your negotiations continue, we hope you will take into consideration an idea that gets at the heart of the issue - a house purchase income tax credit.

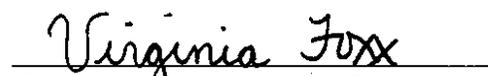
It is our belief that the real estate market is the root cause of the current market situation, by creating problems in the mortgage market, which in turn creates problems in capital markets. The real estate boom has created an excess of housing that must be cleared to correct the capital markets. Therefore, we must focus on alternatives that reduce excess housing. By enacting a tax credit equal to ten percent of a home's value, the effective cost to the purchaser is reduced without lowering the price paid to the seller. This will move homes off the market more expeditiously and provide a level of certainty to the market - exactly what is needed right now.

The tax credit should have an established maximum to increase the number of participants and should be available to anyone. It should only apply to existing house inventory including new houses completed or under construction by an established date as well as existing homes on the market by that date. To encourage quick action, the tax credit should be available for a limited time, set at a certain amount, and made available on a first come, first serve basis.

The package rejected by the House on Monday failed to address the many alternatives proposed by both Democrats and Republicans. As you consider these alternatives to improve the bill and garner more support for it, we hope that you will consider this important proposal. We believe it should be the cornerstone of the final package as it addresses the root cause of the current market uncertainty.

Sincerely,


Congressman Jack Kingston
First District of Georgia


Congresswoman Virginia Foxx
Fifth District of North Carolina