



Housing Advisory Group



Earlier this week, there was optimism that the Senate could complete action on the housing legislation, H.R. 3221, before the July 4th recess. Final action, however, has been delayed over discussion of additional amendments, including some non-housing amendments.

One amendment, championed by Senator John Ensign (R-NV), extends a number of popular expiring renewable energy tax provisions. Senate Leadership, however, is concerned that the amendment is not related to housing and its cost is not offset. The House previously has sent clear signals that it does not intend to pass a final housing bill that is not fully offset (paid for).

Because there are at least two procedural hurdles remaining that could use up to four legislative days, Senate Majority Leader Harry Reid (D-NV) announced that final consideration of the housing bill will take place after the July 4th recess. Senate Banking Committee Chairman Chris Dodd (D-CT) said that the first procedural vote will be taken immediately when the Senate returns from its break on July 7, and he is optimistic the Senate will complete action later that week.

To further expedite proceedings, the House and Senate have had informal meetings over the last few weeks to reconcile differences between the House-passed bill and the Dodd-Shelby substitute. We understand the differences are narrowing, although some significant issues remain. For example, the House is expected to close a \$2.4 billion revenue shortfall in the Senate provision to ensure that all tax provisions are fully offset.

Despite the setback on timing in the Senate, there is good reason to believe the housing bill will reach the President's desk by mid-July. Both Chairman Dodd and Chairman Frank have made statements indicating their views that the legislation will become law and votes so far on procedural motions have exceeded the numbers necessary to override any potential Presidential veto. That being said the White House has softened its tone lately on the veto and statements indicate they have been working with the House and Senate on issues where there are differences.

The Congress will be out next week for their July 4th recess and as indicated above, return to work on July 7th. We are optimistic and will keep you posted on any developments.

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