How the mortgage tax break widens the racial divide

The mortgage interest deduction (MID) is one of the biggest drivers of racial housing inequality, a new report says. The report, published by the Institute on Assets and Social Policy at Brandeis University's Heller School (IASP) and National Low Income Housing Coalition (NLIHC), comes on the heels of a recent report by Apartment List that found the federal government pays out more than twice as much to homeowners through MID than it spends on public housing programs. "We spend billions of dollars a year providing federal housing assistance to higher income households who would be stably housed without that subsidy, while we spend far too little helping low income renters struggling to pay the rent," said NLIHC President and CEO Diane Yentel. MID -- a tax subsidy which allows homeowners to write off the amount of interest they paid on their mortgage -- costs taxpayers roughly $71 billion annually, but most of that expense goes primarily towards wealthier homeowners, as w...

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