

Homeowners Worry About Fate Of Loan Interest Tax Deduction

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NEW YORK (FOX 5 NEWS) - Mindy and Josh Schreiber moved into their new home in Seaford, New York, on Saturday. Like many homeowners, they too say they will deduct the interest paid on their home loans from their income taxes. But removing the deduction is one of the things U.S. Treasury Secretary Steve Mnuchin is considering.

U.S. Sen. Charles Schumer said that is unfair and would actually hurt the middle class.

"If these deductions are eliminated there would be a giant tax increase courtesy of the federal government to Long Island, New York and New Jersey," Schumer said. Deductions help make housing less costly, he said. A few thousand dollars in return each year adds up.

Economist Dr. Martin Cantor said it could also impact the real estate market on Long Island where the median residential home sale price was just over \$400,000 in 2015.



"I think it's a bargaining chip. It's been tried in almost every administration," Cantor said. "It's one of the third rails of the Democratic Party. They won't touch it."

Experts say it will take some time to learn Trump's stance on the deductions. If he supports it, it first has to pass in the House of Representatives before going to the Senate.