

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to exclude from gross income certain proceeds of shared appreciation mortgage contracts.

IN THE HOUSE OF REPRESENTATIVES

Mr. MOORE of Utah introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain proceeds of shared appreciation mortgage contracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Shared Home Appre-
5 ciation for Residential Equity Act” or the “SHARE Act”.

1 **SEC. 2. EXCLUSION OF CERTAIN PROCEEDS OF A SHARED**
2 **APPRECIATION MORTGAGE CONTRACT.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 is amended
5 by inserting after section 139I the following new section:

6 **“SEC. 139J. CERTAIN PROCEEDS OF A SHARED APPRECIATION**
7 **MORTGAGE CONTRACT.**

8 “(a) IN GENERAL.—Gross income shall not include—

9 “(1) any amount received by a lender as repay-
10 ment of a shared appreciation mortgage which ex-
11 ceeds the original principal obligation of such mort-
12 gage if—

13 “(A) the income of the borrower did not
14 exceed 140 percent of the area median income
15 for the census tract in which the real property
16 is located for the calendar year in which such
17 loan was issued, and

18 “(B) the real property is a residential
19 property which was the principal residence (as
20 such term is used in section 121) of the bor-
21 rower,

22 “(2) any gain from the disposition of so much
23 of a capital asset as is composed of or secured by
24 mortgages described in paragraph (1).

25 “(b) SHARED APPRECIATION MORTGAGE.—For pur-
26 poses of this section, the term ‘shared appreciation mort-

1 gage’ means a mortgage secured by a second lien on a
2 property upon which there is located a dwelling designed
3 principally for occupancy by one to four families which—

4 “(1) provides for the mortgagee to share in a
5 predetermined percentage of the property’s net ap-
6 preciated value which does not exceed the percentage
7 which is the quotient of—

8 “(A) the amount of such mortgage, divided
9 by

10 “(B) the purchase price of such property,

11 “(2) does not require the mortgagor to make
12 any payment other than the payment described in
13 paragraph (1),

14 “(3) the amount of which does not exceed 49
15 percent of the purchase price of such property,

16 “(4) is subordinate to a first lien that is a
17 ‘qualified mortgage’ as such term is defined under
18 section 129C(c)(2) of the Truth in Lending Act,

19 “(5) does not require repayment before—

20 “(A) the scheduled maturity date of the
21 mortgage secured by the first lien on the prop-
22 erty;

23 “(B) the sale of the property;

24 “(C) repayment in full of the mortgage se-
25 cured by the first lien on the property;

1 “(D) the scheduled maturity date of the
2 mortgage secured by the first lien on the prop-
3 erty as altered by any acceleration of such
4 mortgage in accordance with the terms of such
5 mortgage;or

6 “(E) a default under the mortgage.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for part III of subchapter B of chapter 1 of such Code
9 is amended by inserting after the item relating to section
10 139I the following new item:

“Sec. 139J. Certain proceeds of a shared appreciation mortgage contract.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to amounts received after Decem-
13 ber 31, 2025.