

119TH CONGRESS
2D SESSION

H. R. 8116

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

MARCH 26, 2026

Mr. MOORE of Utah (for himself, Mr. PANETTA, and Mr. BARR) introduced the following bill; which was referred to the Committee on Ways and Means

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”.

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

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

1 **“SEC. 139J. CERTAIN PROCEEDS OF A SHARED APPRECIATION MORTGAGE CONTRACT.**
2

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

4 “(1) any amount received by a lender as repayment of a shared appreciation mortgage which exceeds the original principal obligation of such mortgage if—

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

13 “(B) the real property is a residential property which was the principal residence (as such term is used in section 121) of the borrower, or

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

20 “(b) SHARED APPRECIATION MORTGAGE.—For purposes of this section, the term ‘shared appreciation mortgage’ means a mortgage secured by a second lien on a property upon which there is located a dwelling designed principally for occupancy by one to four families which—

25 “(1) provides for the mortgagee to share in a predetermined percentage of the property’s net ap-
26

1 preciated value which does not exceed the percentage
2 which is the quotient of—

3 “(A) the amount of such mortgage, divided

4 by

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

6 “(2) does not require the mortgagor to make
7 any payment other than the payment described in
8 paragraph (1),

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

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

14 “(5) does not require repayment before—

15 “(A) the scheduled maturity date of the
16 mortgage secured by the first lien on the prop-
17 erty;

18 “(B) the sale of the property;

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

21 “(D) the scheduled maturity date of the
22 mortgage secured by the first lien on the prop-
23 erty as altered by any acceleration of such
24 mortgage in accordance with the terms of such
25 mortgage; or

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

2 (b) CLERICAL AMENDMENT.—The table of sections
3 for part III of subchapter B of chapter 1 of such Code
4 is amended by inserting after the item relating to section
5 139I the following new item:

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

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

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