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From:

Sent: Tuesday, April 06, 2010 10:03:21 AM

To:

Cc:

Subject: RE: Mortgage Interest

The cites I mentioned in my phone call were:

1.163-10T(p)(3)- states that a second residence means any residence in which the t/p uses as a residence and does not rent out. Also look at sec 280A(d)(4) and 280A(d)(2)- (d)(4) is use of the second residence by a family member qualifies as not renting out the second residence and (d)(2) states that use of second residence by someone with an equitable interest does not qualify as renting out the unit.

Our only concern here in NO is the equitable interest of the parents in the house. Did the purchase the property jointly and are they both on the title and liable on the debt? If so, they could both deduct the interest. Whether someone is an equitable owner is a factual question. Hope this helps.