



May 26, 2010

The Honorable Sander Levin
Chairman
U.S. House of Representatives
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515-6501

Dear Mr. Chairman:

On behalf of the Housing Finance Agencies (HFAs) of the 50 states, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands, the National Council of State Housing Agencies (NCSHA) thanks you for including in the American Jobs and Closing Tax Loopholes Act, H.R. 4213, provisions critical to the creation of affordable homes for America's working families and to our housing and economic recovery. We urge all House members to take these crucial provisions into account as they consider their votes on this important legislation.

Specifically, this legislation extends for one year, through 2010, the Low Income Housing Tax Credit (Housing Credit) Exchange Program. This program, first authorized for one year under the American Recovery and Reinvestment Act of 2009 (ARRA), allows states to turn in to the Treasury Department up to 40 percent of their annual Housing Credit allocation for cash to support the development of affordable rental homes. It is necessary to continue this program for an additional year to maintain affordable rental housing production, as the Housing Credit struggles to regain its value in a still-weakened investor market. We encourage the Congress to continue to look for ways to expand this program this year to include 4 percent and disaster Housing Credits—both GO Zone and Midwest flood Credits—to achieve the housing production and recovery potential Congress and the Administration intended in making these Credits available to states.

The legislation also provides \$1 billion in funding for the Housing Trust Fund, authorized in the Housing and Economic Recovery Act of 2008 (HERA), and \$65 million for project-based vouchers to support Trust-financed properties. NCSHA strongly supports this one-time capitalization and asks the Congress to continue to seek a dedicated source of annual funding for the Trust, which is vital to the production of rental homes for very low and extremely low-income families. States, to which Congress has entrusted the Fund's administration, are also grateful that Congress has recognized that project-based rental assistance is key to reaching the Trust's target populations.

The affordable housing provisions contained in H.R. 4213 are also essential to our housing and economic recovery, as the housing production they generate will produce jobs and investment. We encourage Congress to enact them as soon as possible.

Sincerely,

Barbara J. Thompson
Executive Director