



U.S. Senator Urges Support for LIHC Reform Legislation

By Michael J. Novogradac, CPA

DALLAS—Calling it an important, common-sense piece of legislation, Sen. Susan Collins (R-Maine) urged support for the Housing Bond and Credit Modernization Act, at Novogradac & Company LLP's Credit & Bond Financing for Affordable Housing Conference on May 18. This legislation would bolster affordable housing production in the nation's rural areas and initiate other technical reforms. Under current law, many low-income workers in rural areas are not eligible to live in LIHC units. This is because U.S. Department of Housing and Urban Development (HUD) income limits, which are calculated using the area median income (AMI), are often extremely low in rural areas.

S.B. 677, sponsored by Sen. Orrin Hatch (R-Utah), and H.R. 951, by Rep. Amo Houghton (R-N.Y.), would amend the low-income housing tax credit (LIHC) program to allow states to use the greater of the statewide median income or the AMI for the purpose of calculating income limits for the LIHC program. The legislation would greatly increase the number of low-income rural households that qualify for tax credit housing. The National Council of State Housing Agencies (NCSHA), a Washington, D.C.-based trade organization, estimates that the amendment would positively impact 2,594 counties. Collins advised conference attendees to urge their congressional representatives to cosponsor the legislation. "Share your experience and expertise with your representatives," she told affordable housing practitioners. "It makes a difference to hear from someone in your home state." Help the industry pass this crucial piece of legislation by contacting a member of Congress via the Capitol switchboard at (202) 224-3121. A sample letter to Congress regarding this issue can be accessed on Novogradac & Company LLP's web site at <http://www.novoco.com/sampleletters.htm>. ❖

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