

Congress of the United States

House of Representatives

Washington, DC 20515

March 25, 2009

The Honorable Timothy F. Geithner  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Geithner:


We are writing to request that the Treasury Department promptly issue revenue procedure for implementation of authority for states to exchange low income housing tax credits for cash under the "American Recovery and Reinvestment Act of 2009" (P.L. 111-5).

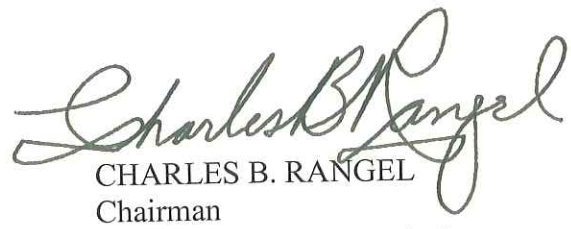
Section 1602 of P.L. 111-5 gives states authority to exchange, for cash, up to 40% of low income housing tax credits allocated in 2009, plus tax credits carried forward from previous years. Congress provided such authority to respond to an environment of significant dislocations in the housing tax credit market, including significant reductions in prices received for tax credit investments and difficulties in even placing these credits.

The argument that there are important issues that need to be resolved regarding implementation of what is a new discretionary authority, including issues such as the process for states to make elections to exchange credits and compliance and asset management requirements, is no reason for a delay in implementation. Time is of the essence. States are moving forward with their process for competitive applications for 2009 tax credits. And, projects from prior years that have not able to be funded represent stalled affordable housing developments that are ready to begin work once the exchange program is finalized.

The purpose of provisions like this one in the Recovery Act was to provide timely financial assistance to shovel-ready projects that can result in quick project starts and job creation. It is in keeping with this goal that guidance should be issued on an expedited basis for implementation of this important provision.

We thank you for your consideration of this request.

  
BARNEY FRANK  
Chairman  
Committee on Financial Services

  
CHARLES B. RANGEL  
Chairman  
Committee on Ways and Means