



GOVERNMENT AFFAIRS

Joseph M. Stanton
Chief Lobbyist

January 26, 2009

The Honorable Maria Cantwell
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cantwell:

On behalf of the 200,000 members of the National Association of Home Builders (NAHB), I am writing to express our support for your amendment to the *American Recovery and Reinvestment Tax Act of 2009* that will be marked up by the Finance Committee on January 27. The amendment would help to restore private-sector investment to the Low Income Housing Tax Credit (LIHTC) program, the nation's primary affordable housing production program. This is especially critical during this time of crisis in housing for low- and moderate-income families.

The amendment would allow investors to accelerate the LIHTC by up to 20% of the total credits per year for each of the first three years of the ten-year credit period. The remainder would be taken on a straight-line basis for the last seven years of the credit period. This would result in substantial new investment by making the return to the investor much more attractive, thus reinvigorating the stalled LIHTC investment market caused by the overall crisis in the financial sector. Restoring the LIHTC investor market and overall production of affordable housing can have a significant, positive and direct impact on the overall economy.

According to NAHB estimates, the typical LIHTC project creates 151 jobs and provides over \$7 million to the local economy. Loss of these jobs compounds the overall decline in home building that is devastating builders and their workers whose livelihood depends on construction activity. According to Bureau of Labor Statistics data, since the peak in industry employment in February of 2006, home builders and associated trades have experienced a loss of more than 718,000 jobs, with more expected as the slump continues. Your amendment can help put some of these workers back on the job of building affordable housing.

Thank you for your continued leadership on the cause of affordable housing and meeting the needs of low- and moderate-income families. We look forward to working with you to craft additional legislative proposals to expand and diversify the pool of investors in the LIHTC and maximize its impact on the production of affordable housing.

Sincerely,

A handwritten signature in black ink, appearing to read "JMS", is written over the typed name "Joseph M. Stanton".

Joseph M. Stanton

JMS/gsb