

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.
ASSISTANT SECRETARY

APR 08 2003

Ms. Barbara J. Thompson
Executive Director
National Council of State Housing Agencies
444 North Capitol St. NW, Suite 438
Washington, DC 20001

Dear Ms. Thompson:

Secretary Snow has asked me to respond to your recent letter to him regarding the Mortgage Bankers Association of America's report, Estimated Impact of the Major Components of the Bush Administration's Growth and Jobs Plan on Housing and the Economy. Thank you for your letter. I appreciate NCSHA's concern about any impact the President's proposal may have on housing projects and programs that address the Nation's most critical housing needs.

The President's proposal/s a jobs and growth plan. It provides both immediate economic stimulus and improves the longer-term performance of the economy by eliminating the inequities, inefficiencies, and distortions caused by the double tax on corporate earnings. More jobs and faster growth will make the provision of adequate housing a far easier task.

My staff has studied with interest both the MBA report and the Ernst & Young study sponsored by NCSHA. They have apprised me of the methodological complexities in both and have concluded that the effect of the President's proposal on LIHTC projects, even without taking added growth into account, is likely to be small.

Thank you again for corresponding with us on this important matter.

Sincerely,

Pamela F. Olson
Assistant Secretary (Tax Policy)