

Prudential
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Josh Odintz
Tax Legislative Counsel
Department of the Treasury
1500 Pennsylvania Ave., NW
Washington DC 20220

Dear Josh

Thank you for taking the time on January 27, to discuss with Prudential H.R. 4109, an extension of the Low Income Housing Credit carryback period, with a reinvestment requirement as well as other proposals to reenergize low income housing development and create important jobs. I truly appreciated and enjoyed the open back and forth discussion on tax policy.

Prudential has been a long time supporter of the Low Income Housing program with over \$100 million invested in our Corporate Social Responsibility portfolio and \$450 million in our insurance company investments. These projects have resulted in over 60,000 affordable rental housing units nationwide.

Unfortunately, the accumulation of credit carryforwards coupled with a continued economic slowdown is forcing us to exit the program and to sell our current investments. These steps will reduce the capital investments that otherwise would flow into the program and create construction, manufacturing and other jobs and affordable housing.

Extending the carryback provisions with a reinvestment requirement is an opportunity to keep investor capital flowing into important low income housing projects that create tens of thousands of jobs, benefit local communities, and serve other useful purposes. We believe the reinvestment requirement is the cornerstone and is necessary to achieve the policy objectives.

I look forward to continuing discussions especially with your economist and some Prudential associates on the overall program's impact on employment, housing, and other important societal areas.

Over the longer term, in the coming tax policy and legislative discussions it will be important for the business community and the government to work together. If I, or Prudential Financial, can ever be of help in these discussions or any matter, please do not hesitate to call me.

Sincerely,

Jim Shea
Vice President & Chief Tax Officer