



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

## **A Message From Treasury Secretary John Snow to the NAHB Membership**

It is my pleasure to send greetings to the 205,000 members of the National Association of Home Builders and the greater housing community on a matter of great national significance — the continued health of the U.S. economy.

In recent years housing has been a pillar of the American economy. As members of the NAHB, you should be proud of the role that your industry plays in contributing to the nation's economic well-being. The vast majority of your businesses are small businesses who create the lion's share of new jobs and account for half of the output of the economy. As you are aware, though, even as housing continues to lead the economy forward, many other sectors of the economy are struggling.

To jump-start the economy, create new jobs and ensure a prosperous future for all Americans, President Bush has proposed a dynamic economic growth package. The President's Jobs and Growth Package, if enacted, will help to restore business investments by reducing tax rates on small business income and raising limits for small business expensing. Retroactively accelerating the tax cuts passed in 2001 and ending the double taxation of corporate income will also increase the pace of recovery, spur the creation of 1.4 million new jobs by the end of next year, and restore the confidence of the nation's consumers.

In short, this plan is good for the economy, good for housing, and good for America's working families. I am pleased that NAHB has demonstrated its strong support for the President's Jobs and Growth Package, and I appreciate your support. The importance of this economic growth plan cannot be overstated, and enactment is critical for the nation's economic well-being.

The Bush Administration is currently working determinedly to ensure that House and Senate budget conferees adhere to the House-passed budget resolution that includes the President's entire \$726 billion for the Jobs and Growth Package. We are pleased that the NAHB is standing side-by-side with us on this critical issue.

In a recent meeting with NAHB's senior leadership, I made the point that the housing industry and housing programs play an integral role to our nation's economy. The Bush Administration remains committed to helping the private sector provide for more affordable housing nationwide. The Low Income Housing Tax Credit (LIHTC) has played an important role in the production of affordable housing in this country over the past 15 years, and I can assure you that the Administration stands by this vital program.

The Treasury Department has considered the impact of the President's Jobs and Growth plan on the LIHTC, and we expect the impact of the Jobs and Growth Package to be small on the LIHTC. We will additionally continue to work closely with congressional leaders and your association to help ensure careful consideration of any impact that the Jobs and Growth plan may have on the LIHTC. We want to make sure that there are no unintended consequences that would make the credit less effective.

Last June, President Bush characterized the home as a "foundation for families and a source of stability for communities." To boost homeownership opportunities for Americans, and particularly minorities who lag behind the national average in terms of homeownership, the Bush Administration proposed a homeownership tax credit in its FY 2004 budget. This credit is designed to expand homeownership opportunities in low-income communities by increasing the supply of affordable homes for sale, and to make those who qualify home owners instead of renters. This tax credit is good public policy, it is good for the economy, and we hope to make it a reality this year.

The Bush Administration expects to see the housing industry continue as an important and vibrant part of the economy. Clearly, the best way to move the economy forward, to put other sectors of the economy back on track, and to provide renewed job opportunities for millions of American families is to ensure that Congress passes the President's Jobs and Growth Package. Again, I thank NAHB for its ongoing work in support of the President's plan, and for your support of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Snow". The signature is fluid and cursive, with the first name "John" being the most prominent.

John W. Snow