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November 13, 2017

Chairman Orrin Hatch  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

Ranking Member Ron Wyden  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden,

On behalf of the National Affordable Housing Management Association (NAHMA), I would like to thank you for protecting affordable housing in the Senate Finance Committee's "Tax Cuts and Jobs Act," and bring your attention to the potential impact that tax reform could have on affordable housing.

As the leading voice for affordable housing management, we thank the Committee for retaining both the Low-Income Housing Tax Credit program (Housing Credit) and the tax exemption on private activity multifamily Housing Bonds in the Senate bill, as released on November 9<sup>th</sup>, 2017. Together, the Housing Credit and multifamily bonds are our nation's primary tools for developing and preserving affordable housing.

As you are aware, Multifamily Housing Bonds trigger the 4% Housing Credit, which is responsible for approximately half of all affordable housing produced through the LIHTC program. **Retaining the tax-exemption on multifamily Housing Bonds preserves 881,000 rental homes and 995,500 jobs for American communities over 10 years.** We thank you for your support of the Housing Bonds and urge you to continue protecting this critical component of the Housing credit program as tax reform progresses.

While the Senate bill makes marked improvements over the House bill by retaining Housing Bonds, it would still result in a significant loss of Housing Credit production because it does not offset the impact of a lowered corporate tax rate on the Housing Credit program. As you know, a reduced corporate tax rate impacts the price investors are willing to pay for the Credit; **without adjustments to insulate the Housing Credit program, the lowered corporate rate would reduce the future supply of affordable rental housing by nearly 300,000 homes over ten years.**

As the Committee begins its mark-up, we ask that you continue to support the Housing Credit and Housing Bonds, and we urge you to make adjustments to **offset the impact of a lower corporate tax rate to protect Housing Credit investment.** Your efforts will help ensure that every state continues to receive the valuable investment that the Housing Credit provides.

We look forward to working together to advance our shared goal of improving economic opportunity for all Americans. Please do not hesitate to reach out with questions.

Sincerely,

Kris Cook, CAE  
Executive Director