



October 30, 2025

The Honorable French Hill
Chairman
Financial Services Committee
United States House of Representatives
1533 Longworth House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Financial Services Committee
United States House of Representatives
2221 Rayburn House Office Building
Washington, DC 20515

The Honorable Mike Flood
Chairman
Financial Services, Housing and
Insurance Subcommittee
United States House of Representatives
343 Cannon House Office Building
Washington, DC 20515

The Honorable Emanuel Cleaver
Ranking Member
Financial Services, Housing and
Insurance Subcommittee
United States House of Representatives
2217 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hill, Ranking Member Waters, Chairman Flood, and Ranking Member Cleaver:

On behalf of the ACTION Campaign—a national grassroots coalition of more than 2,400 national, state, and local organizations and businesses focused on protecting, expanding, and strengthening the Low-Income Housing Tax Credit (Housing Credit) program—we greatly appreciate your support for programs and policies expanding the availability of affordable rental housing. As the Committee considers housing legislation this year, we urge you to lift the public welfare investment (PWI) cap to which banks must adhere for purposes of their investments in Housing Credit developments and other community development activities.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing, financing over 4.1 million homes for low-income families and individuals nationwide since 1986. Banks are key drivers of equity investment in the Housing Credit. In 2024, banks supplied about 80 percent of the \$28.9 billion in Housing Credit equity (roughly \$23.1 billion). However, under current law, banks may invest a maximum of 15 percent of their capital and surplus in public welfare investments, so long as they have authorization from their regulator to go beyond the standard limit of 5 percent. Many banks have already or expect to soon hit their 15 percent cap; thus, the PWI cap is thwarting their ability to provide additional equity for affordable housing development.

A recent survey conducted by the Affordable Housing Tax Credit Coalition, the Affordable Housing Investors Council, and the National Association of Affordable Housing Lenders of 22 banks representing \$14 billion of investment in the Housing Credit in 2024—nearly two-thirds of all bank investments—found that over 42 percent of investment came from banks that are nearing their 15 percent PWI cap.

Lifting the PWI cap would allow banks to help meet the need for affordable housing and optimize the recent expansion of the Housing Credit Congress enacted in the *One Big Beautiful Bill Act* (OB3) earlier this year. The changes to the Housing Credit in OB3 are projected to finance as many as 1.2 million additional affordable rental homes over the next decade, but these estimates rely on a robust investor market to provide an additional \$5 billion to \$7 billion in

annual private investment. A higher PWI cap would help support such a market, increase competition among investors, and ensure that we get the most out of this historic expansion of the Housing Credit program.

Senators from both parties recently introduced the *Community Investment and Prosperity Act* (S. 2464), which raises the PWI cap to 20 percent of bank capital and surplus. This legislation was included in the Senate-passed *ROAD to Housing Act* (S. 2651).

The proposal to raise the maximum cap to 20 percent preserves existing safeguards in the system. Banks would still need permission from their regulator to invest more than 5 percent of their capital and surplus in public welfare investments. Banking regulators only provide this authorization to banks if they determine the bank is adequately capitalized and the additional investment will not threaten the deposit insurance fund. Banks seeking to increase their PWI investments would need to show that the increase would not pose a safety and soundness risk.

Congress last adjusted the PWI cap—from 10 percent to 15 percent—in 2006 under the George W. Bush Administration, leading to considerable increased investment in the Housing Credit and other PWIs. In 2005, before the limit was lifted, national banks invested just \$3.1 billion in PWIs. By 2024, national banks were investing \$27.9 billion in PWIs.

Thank you for your continued leadership and support for affordable housing. We urge you to include an increase in the PWI cap in any affordable housing legislation the Committee considers this Congress to help ensure that Congress' historic investment in the Housing Credit in OB3 achieves its full potential.

Sincerely,

The ACTION Campaign Co-Chairs
Enterprise Community Partners
National Council of State Housing Agencies

The ACTION Campaign Steering Committee
Affordable Housing Tax Credit Coalition
Council for Affordable and Rural Housing
Council of Large Public Housing Authorities
Corporation for Supportive Housing
Housing Advisory Group
Housing Partnership Network
LeadingAge
Local Initiatives Support Corporation / National Equity Fund
National Affordable Housing Management Association
National Association of Affordable Housing Lenders
National Association of Home Builders
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of REALTORS®
National Association of State and Local Equity Funds
National Housing Conference
National Housing & Rehabilitation Association
National Housing Trust
National Low Income Housing Coalition

National Multifamily Housing Council
Smart Growth America
Stewards of Affordable Housing for the Future