



Housing Credit Talking Points

Audience

Every member of Congress, with special focus on members of the Senate Finance and House Ways and Means Committees

Request

Ask your member of Congress to commit to cosponsoring the Affordable Housing Credit Improvement Act.

Support the Housing Credit

- The Housing Credit program has a unique, market-based structure that transfers the real estate risk from the taxpayer to the private-sector investor. In the rare event that a property falls out of compliance any time during the first 15 years after it is placed in service, the Internal Revenue Service is able to recapture tax credits from the investor. Thus, investors have an incentive to ensure that properties adhere to all program rules, including affordability restrictions and high quality standards.
- The Housing Credit requires only limited federal bureaucracy because Congress delegated its administration and decision-making authority to state government. State Housing Finance Agencies (HFAs), which administer the Credit in nearly every state, have statewide perspective, a deep understanding of the needs of their local markets, and sophisticated finance, underwriting, and asset management capacity.
- The National Association of Home Builders estimates that, in a typical year, the Housing Credit program supports approximately \$3.5 billion in federal, state, and local taxes; \$9.1 billion in economic income from wages and business income; and 95,700 jobs across various U.S. industries.
- To be competitive, attract employment, and create thriving communities, cities and towns must have well-maintained infrastructure. The affordable housing produced using the Housing Credit is as much a vital component of that infrastructure as roads and bridges, water and sewer, and energy systems. Moreover, housing investment can often be a catalyst for other infrastructure investment in communities, including water systems, sidewalks, road improvements, and broadband.
- With strict state agency underwriting standards, stringent compliance requirements, and due diligence from the private sector, the inventory of Housing Credit properties has an outstanding performance track record according to all commonly used real estate metrics. Only 0.66 percent of Housing Credit developments have undergone foreclosure, an unparalleled record compared to market-rate multifamily properties and all other real estate classes.

- Unlike many other tax expenditures, which subsidize activity that would occur at some level without a tax benefit, virtually no affordable rental housing development would occur without the Housing Credit. Housing simply costs too much to build for owners to charge rents that are affordable to low-income households.

Cosponsor the Affordable Housing Credit Improvement Act

- This legislation would expand Housing Credit resources through a cap increase and the establishment of both a minimum 4 percent rate and a state-determined basis boost so that we can provide more affordable rental housing.
- The bill would further strengthen the Housing Credit by:
 - Supporting the preservation of existing affordable housing
 - Facilitating development for hard-to-reach populations and challenging markets, including rural areas and Native American lands
 - Fortifying state program oversight responsibilities
 - Providing new flexibility and simplifying program requirements