

Salutations,

It is in the best interest of all Americans, be they Democrat or Republican, rich or poor, living in cities, or out in the country, to have a floor for the Low-Income Housing Tax Credit rates. The Low-Income Housing Tax Credit Program is a program through which invested dollars are multiplied and returned into the economy. Folks on both sides of the aisle stand to benefit through its fortification.

There is a bill in Congress presently that would make permanent an expired temporary floor for the new construction 9% and acquisition 4% tax credit rates. Doing so would open the playing field to more competition (read: better housing product), support more development of housing for those with moderate-to-low incomes, and also stimulate the economy from the top-down (investment from banks in these developments) as well as from the bottom-up (quality, affordable housing leads to stabilized employment, which leads to taxes being paid).

The floor for the new construction 4% tax credit rate should be fixed as well. Although we are still in a fairly low-rate, borrower-friendly environment, the responsible structuring of these types of deals is nowhere near as feasible as it was in the 1990s and early 2000s. Please do consider the recommendations of those more qualified than myself who can speak to the nuanced additional benefits this rate floor would produce.

The issue of the Low Income Tax Credit rate floors is unlike other issues, which divide the country down party lines. It may be that the Republicans enjoy the pro-business aspects of the program a bit more, while the Democrats are a tad more fond of the humanitarian mission the program accomplishes. However, in a rare show of bipartisan agreement, the affordable housing community stands united in our support of strengthening the Low Income Housing Tax Credit program.

Thank you for your consideration,

Patrick Stoffregen
Vice President of Development
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