From: John Wiechmann [mailto:JWiechmann@mheginc.com]

**Sent:** Friday, June 07, 2013 4:24 PM

To: Director - FASB

Subject: File Reference No. EITF-13 - Accounting for Investments in Qualified Housing Projects

To: Technical Director, FASB

Re: File Reference No. EITF-13 - Accounting for Investments in Qualified Housing Projects

Midwest Housing Equity Group, Inc. ("MHEG") is a nonprofit corporation formed in 1993 to raise capital for investments in affordable housing developments that are financed with federal Low-Income Housing Tax Credits ("Housing Credits"). To date, MHEG has raised almost \$1 billion of private capital for these Housing Credit investments, investing in over 350 developments and helping finance almost 9,700 units of affordable housing in Nebraska, Kansas, Iowa and Oklahoma. We are also a member of the National Association of State and Local Equity Funds ("NASLEF") which has 14 members nationally and has deployed over \$8.3 billion in capital into Housing Credit developments.

Despite our successes set forth above, the need for quality affordable housing far exceeds the available supply. We need more equity to help create more housing. But the current equity method of accounting required to be used by all investors except those participating in guaranteed transactions raises concerns among potential investors. The required use of the equity method negatively impacts these potential investors' decision to invest in Housing Credits. Specifically, our own organization has encountered investors who, but for equity method requirement, would have committed substantial capital to Housing Credits, helping fund the development of even more affordable residences.

We agree that the changes proposed in EITF-13, allowing investors to utilize the effective yield method of accounting, are appropriate. The use of the effective yield method for these Housing Credit investments (whereby investors will be permitted to report the costs, along with the housing tax credits, on the tax line) better accounts for such investments when compared to the use of the equity method. The proposed changes will be an improvement in the accounting options available to investors – making the accounting clearer and more neutral – which will help to make these investments more understandable to the investment community.

We fully expect that such a change as proposed under EITF 13-B will attract more investment capital to Housing Credit investments. This change will help in meeting the continued need for quality affordable housing across the United States.

Thank you for your time and consideration of this matter.

Sincerely, John Wiechmann

John J. Wiechmann President/CEO Midwest Housing Equity Group, Inc. 13520 California Street, Suite 250 Omaha, NE 68154 (402) 334-8899 jwiechmann@mheginc.com

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