NATIONAL HOUSING CONFERENCE

May 24, 2013

Technical Director, FASB
File Reference No. EITF-13 - Accounting for Investments in Qualified Housing Projects
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

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

Dear Technical Director,

The National Housing Conference urges you to implement the proposed change to allow the effective yield or ratable amortization accounting method for non-guaranteed investments in Low Income Housing Tax Credit (Housing Credit) properties. Doing so would make the accounting clearer for investors and thereby broaden the pool of investors for Housing Credits. Encouraging capital to flow to affordable housing is essential given the acute need for affordable housing nationwide.

About the National Housing Conference

The National Housing Conference (NHC) represents a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, non-profit and for-profit home builders, property managers, policy practitioners, realtors, equity investors, and more, all of whom share a commitment to affordable housing. Since 1931, NHC has been dedicated to ensuring safe, decent and affordable housing for all in America—that commitment bringing together our broad-based membership has earned us a reputation as the United Voice for Housing engaging in nonpartisan advocacy on housing issues.

The Acute Need for Affordable Housing

Nationwide, Americans face severe housing cost burdens, as documented in *Housing Landscape 2013* from our research affiliate, the Center for Housing Policy. One in four working households paid more than half of their income for housing costs in 2011, and housing cost burdens are most widespread among working households earning less than half of the area median income. Furthermore, housing affordability worsened for working renters between 2008 and 2011, as incomes fell and foreclosures increased pressure on rental markets.

Creating Affordable Housing through Public-Private Partnerships

The Housing Credit is the nation's largest and most successful program to create the affordable rental housing needed in communities nationwide relying on public-private partnerships to finance development and preservation. The program has leveraged near $100 billion of private equity capital to help finance more than 2.6 million affordable homes throughout the program's 26-year history. The

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apartment homes created by the Housing Credit serve a wide range of Americans, including some of the most vulnerable: older adults, formerly homeless individuals, families, the disabled, veterans, and others of low and extremely low income.

Critical Role of Investors in Housing Credit Development

Investors are long-term partners in Housing Credit properties that play a critical role ensuring the success of the program. The investors provide the upfront capital to create affordable housing and then continue to oversee the properties to ensure that they fulfill their affordable housing mission. Investors make a long-term commitment, and to do that they need to demonstrate both the financial and societal benefits of the investment. The proposed change in accounting treatment would allow costs and Housing Credits to appear together, making a clearer and more neutral presentation. That will help investors evaluate and then sustain their involvement in the program, thereby broadening the pool of investors and making more capital available to support affordable housing.

We appreciate your consideration of the proposed accounting change and your attention to our comments. We urge you to implement the proposed change and so encourage more affordable housing for those in need.

Sincerely,

Chris Estes
President and CEO

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