



**National Housing  
& Rehabilitation  
Association**

EITF-13B  
Comment Letter No. 40

1400 16<sup>th</sup> Street, NW

Suite #420

Washington, DC 20036

P: (202) 939-1750

F: (202) 265-4435

[www.housingonline.com](http://www.housingonline.com)

June 14, 2013

Technical Director

File Reference No. EITF-13B— Accounting for Investments in Qualified Affordable Housing Projects

Financial Accounting Standards Board

401 Merritt 7

P.O. Box 5116

Norwalk, CT 06856-5116

Dear Technical Director:

National Housing & Rehabilitation Association (NH&RA) urges the Financial Accounting Standards Board (FASB) to implement its proposed changes to allow the effective yield accounting method for non-guaranteed investments in LIHTC properties.

NH&RA is a professional trade association of over three hundred organizations involved in affordable, rental multifamily development. Our members are private and nonprofit developers, owners, operators, investors, syndicators and other professionals whose primary financing source in the development of their properties is the Low-Income Housing Tax Credit (LIHTC).

Over the last several years, the demand for quality affordable housing has grown, and while needs vary across the country, low-income renters continue to face significant challenges such as rent increases and stagnant wages. The LIHTC program has been the most successful tool for creating and preserving affordable rental housing since the program's inception in the 1980s.

NH&RA observes that the current accounting rules for LIHTC investments create concerns for many potential investors. The current rules inadvertently distort an investor's financial statement as they do not enable costs to be amortized on the same line item in which benefits are realized. Our members believe that the effective yield accounting or ratable amortization methods are more appropriate accounting techniques because investors are able to report costs, along with housing credits, on the tax line.

As such, the FASB's proposed change to allow the effective yield accounting method would make the accounting clearer and more neutral, thus more attractive and understandable for the investment community. We believe that this change would broaden the current pool of willing LIHTC investors and subsequently attract more capital to projects. Increased capital would ultimately support the overall goal of creating more affordable housing for our nation's neediest families.

Thank you for your consideration of these comments.

Sincerely,

Thom Amdur  
Executive Director