

Resolution No. 3

Date: January 10, 2006

City: Orlando, Florida

NAHB Resolution

Title: Converting Unused Private Activity Bond Cap Into
 Low Income Housing Tax Credits
Original Sponsor: Housing Credit Group and Multifamily Finance Subcommittee
 of the Housing Finance Committee

WHEREAS, state Housing Finance Agencies receive approximately \$6.7 billion in private activity bond authority from the Internal Revenue Service (IRS) each year;

WHEREAS, state Housing Finance Agencies carry forward approximately \$10 billion in unused private activity bond cap;

WHEREAS, concurrently, most state Housing Finance Agencies receive requests for at least twice as many Low Income Housing Tax Credits (LIHTCs) as they are allowed to allocate;

WHEREAS, allowing the conversion of private activity bonds into LIHTCs would improve the effectiveness of current federal affordable housing policy;

WHEREAS, under present law, the Internal Revenue Code allows state Housing Finance Agencies to convert single-family mortgage revenue bond authority into tax credits in the form of mortgage credit certificates,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress to amend the Internal Revenue Code to allow states to convert unused private activity bond cap into Low Income Housing Tax Credits.

Board of Directors Action:	Approved
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval
Housing Finance Agency Working Group of the Housing Finance Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Taxation Subcommittee of the Federal Government Affairs Committee Action:	Recommends Approval
Multifamily Board of Trustees Action:	Recommends Approval
Housing Credit Group Action:	Recommends Approval