

## Call to Action to Restore Housing Bonds in House Tax Reform Bill

Dear partners in affordable housing,

The just-released House Republican tax reform bill, the Tax Cuts and Jobs Act of 2017, H.R. 1, proposes to eliminate tax-exempt private activity bonds (PABs), including both multifamily and single-family Housing Bonds issued after 2017. The bill contradicts all previous reports, from sources both in Congress and within the Administration that suggested the bill would maintain tax-exempt PABs.

Utah Housing Corporation and all other state HFAs have utilized tax-exempt PABs to fund mortgage loan programs for lower income first time home buyers. Utah Housing has funded some 70,000 single family mortgages and 10,000 multifamily rental housing mortgages for low income tenants using PABs as the source of capital to purchase or make these loans. During the past few years while interest rates have been at all-time lows, these types of bonds have not provided the large spread in mortgage rate funded with PABs they once offered when interest rates were high. However when interest rates ultimately do rise to “normal” levels, we will all look back and be grateful Congress took the long view and not just the short term outlook to make the tax bill “revenue neutral.”

As partners working to strengthen affordable housing in Utah we encourage you to immediately contact the Utah Congressional delegation and ask them to communicate to Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA) the need to restore tax-exempt private activity Housing Bonds in the tax reform bill, H.R. 1.

Immediate action is important, as we understand Chairman Brady will be putting together over the next few days a Chairman’s Amendment that he will put before the Committee at the outset of the mark-up, proposing a limited number of changes to the bill. Our goal is to restore Housing Bonds in that amendment. After the amendment is finalized, it will be difficult, if not impossible, for members to influence the bill.

The Senate is expected to release its version of tax reform possibly later today. Our own Senator Hatch is the Chair of the Senate Finance Committee and has much clout in this process. It’s equally important to make certain the Senate version of the tax bill maintains tax-exempt PABs. Senator Hatch, historically a major proponent of affordable housing programs, appreciates hearing from his Utah constituents on what is important to them.

The House and Senate will meet as early as next week to begin to reconcile differences in their respective bills, completing that process before Thanksgiving, thus it’s vital to let your delegation know of your interest in this matter as soon as possible

Remind your delegation of the importance of the Housing Bond program to both your single-family and multifamily affordable housing efforts. Stress that single-family Housing Bonds provide essential support to the first-time homebuyer market by financing affordable mortgages for working families. Emphasize that multifamily Housing Bonds, responsible for nearly 50 percent of rental housing production for the working poor through the 4 Percent Housing Credit

program, would be lost if these Bonds are eliminated. It is important that Utah's delegation hears from many concerned stakeholders about potential impacts to their districts.

My thanks to you for your expression of support for these vital resources that are administered by each state to meet its own needs.

Grant S. Whitaker  
Utah Housing Corporation  
President & CEO

### **Utah Congressional Contacts**

Congressman Rob Bishop  
123 Cannon Building  
Washington, DC 20515  
Phone: 202-225-0453  
Email: <https://robbishop.house.gov/contact/zipauth.htm>

Congresswoman Mia Love  
217 Cannon House Office Building  
Washington, DC 20515  
Phone: 202-225-3011  
Email: <https://love.house.gov/email-me/>

Congressman Jim Curtis  
Contact info coming

Congressman Chris Stewart  
323 Cannon House Office Building  
Washington, DC 20515  
Phone: 202-225-9730  
Email: <https://stewartforms.house.gov/contact/>

Senator Orrin Hatch  
104 Hart Office Building  
Washington, DC 20510  
Phone: 202-224-5251  
Email: <https://www.hatch.senate.gov/public/index.cfm/email-orrin>

Senator Mike Lee  
361A Russell Senate Office Building  
Washington, DC 20510  
Phone: 202-224-5444  
Email: <https://www.lee.senate.gov/public/index.cfm/contact>