

August 18, 2023

The Honorable Ron Wyden
Chairman
Senate Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Benjamin L. Cardin
Senate Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Todd Young
Senate Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Jerry Moran
United States Senate
Washington, D.C. 20510

The Honorable Sherrod Brown
Senate Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Mike Kelly
House Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Brian Higgins
House Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Wyden, Senators Cardin, Young, Moran, and Brown, and Representatives Kelly and Higgins:

On behalf of the American Bankers Association¹ (ABA), I am writing to express our support for the bipartisan Neighborhood Homes Investment Act (NHIA) (H.R. 3940/S. 657).

By creating the neighborhood homes tax credit (NHTC), the NHIA would help finance the gap between the construction and rehabilitation costs of owner-occupied homes in distressed neighborhoods and the price for which such properties can be sold—addressing the needs of families throughout the country who are struggling to purchase homes as costs continue to rise and the supply of homes remains limited.

The NHTC also would build on the success of the Low-Income Housing Tax Credit (LIHTC) and New Markets Tax Credit (NMTC) by attracting investments in communities with elevated poverty rates, lower incomes, and modest home values.

¹ The American Bankers Association is the voice of the nation's \$23.7 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2.1 million people, safeguard nearly \$18.7 trillion in deposits, and extend more than \$12.2 trillion in loans.

Enactment of the NHTC is also estimated to help finance the construction or rehabilitation of roughly 500,000 homes over 10 years—in addition to spurring \$125 billion in total development activity, \$56 billion in wages and salaries, \$26 billion in federal tax revenue, and \$12 billion in state and local government revenue—while adding over 850,000 jobs in construction or construction-related fields.

Further, the NHTC would only be available to investors after home construction/renovation has been completed and the property has been sold to a homeowner. Thus, investors—not the government—bear the underlying economic risk of development.

These proposals have garnered strong bipartisan support in both the House and Senate. ABA thanks you for leading these measures and requests quick consideration of these bills in both the House Ways and Means and Senate Finance Committees.

Sincerely,

A handwritten signature in cursive script that reads "Kirsten Suttar". The signature is written in black ink and is positioned below the word "Sincerely,".