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April 10, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

We write today to urge the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) to use their disaster authority to provide relief related to the development of affordable rental housing.

As you know, the Low-Income Housing Tax Credit (LIHTC) program is our nation's most effective affordable rental housing development program. Now more than ever, with the coronavirus pandemic requiring Americans to shelter in place and causing loss of income for so many, having affordable homes in which families can take refuge is essential. As of today, the President has approved Major Disaster declarations in 47 states, the District of Columbia, and four U.S. territories. These Major Disaster declarations provide the IRS with wide discretion to waive program rules, including statutory requirements that create unnecessary hindrances given current circumstances.

In light of these declarations and the breadth of social distancing recommendations, we ask that Treasury and the IRS take action to extend certain deadlines and remove barriers in the LIHTC program, including deadlines related to the 10% Test for carryover allocations,¹ placed-in-service dates,² and rehabilitation expenditures.³ We also urge you to consider relief related to additional deadlines that impact the LIHTC program—for example, a 12-month extension of the 25-month rehabilitation period currently allowed to properties that suffered a casualty loss⁴—and relief from other review and reporting requirements that you deem appropriate during this crisis.

¹ IRC Sec. 42(h)(1)(E)(ii) and Treas. Reg. sec. 1.42-6.

² IRC Sec. 42(h)(1)(E)(i).

³ IRC Secs. 42(e)(3) and (e)(4).

⁴ See IRS Rev. Procs. 2014-49 and 2014-50.

Secretary Mnuchin

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Thank you for your leadership during this difficult time. We look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard E. Neal".

The Honorable Richard E. Neal, *Chairman*

A handwritten signature in blue ink, appearing to read "Suzan K. DelBene".

The Honorable Suzan K. DelBene