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May 16, 2013

Legislative and Regulatory Activities Division Office of the Comptroller of the Currency Mail Stop 9W-11
400 7th Street SW Washington, DC 20219
Docket ID OCC-2013-0003
Regs.comments@occ.treas.gov

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1456
Regs.comments@federalreserve.gov

Robert E. Feldman, Executive
Secretary Attention: Comments
Federal Deposit Insurance
Corporation 550 17th Street, NW
Washington, DC 20429
comments@fdic.gov

Dear Sirs/Madams,

National Affordable Housing Trust ("NAHT") is a national Low Income Housing Tax Credit ("LIHTC") syndicator that secures equity from investors (who are primarily banks) for high performing non-profit developers of affordable housing. We work closely with our development partners as they develop and finance affordable housing projects. The LIHTC is sold to investors for an ownership percentage which allows private equity from the investor to be a part of the financing plan for the creation and preservation of the affordable housing.

NAHT began at the time of the 1986 tax code changes to help non-profit developers secure investors for their affordable projects. We have worked with our development partners as they have developed and preserved almost 100,000 units of affordable housing all across the United States. As a syndicator, we have helped secure equity investments in large "in demand" urban markets and very small, but much needed, projects in rural areas across the country. We have worked diligently to assure that all projects secure an equity investment, but this has not been easy in many of the smaller housing markets.

NAHT strongly supports the Community Development (CD) focus in the proposed revisions to the "Interagency Questions and Answers Regarding Community Reinvestment," to increase the flow of private capital to underserved areas, and help restore the important role of CD activities in the overall Community Reinvestment Act (CRA) framework.

- The Agencies' proposed revisions for bank involvement in nationwide funds will help incentivize more private capital to meet pressing community development needs across the country by reducing artificial barriers imposed by the current geographic assessment area regimen, especially as it applies to larger banks. We believe affordable housing projects will continue to benefit from the designation of specifically defined geographic assessment areas through the examination process and will not be adversely affected by the broadened definition of impact. Importantly, investments in nationwide funds should help to address the inequities of CRA "hot spots" and CRA "deserts".

- The Agencies acknowledge the complexity involved in CD lending and investing. It is important that nationwide funds be treated the same as statewide and regional funds when it comes to geographic requirements. We caution that banks will still require a "brighter line" to feel comfortable increasing their CD activities on a statewide, regional, or nationwide basis. If there is any question about banks receiving full credit, disincentives persist. The "in lieu of or to the detriment of" qualifier in Answer 6, may well constitute a barrier. Investors in nationwide funds, as well as statewide and regional funds, should get recognition for the full amount of the institution's support, provided that the bank has a "Satisfactory" rating at the last CRA examination for activities in its assessment area(s). CD lending and investing require flexibility, and the Agencies explicitly recognize that "at some point the institution's assessment area[s] may receive some benefit." This is important because crucial opportunities and possible unmet needs for CD lending and investing are often outside a bank's assessment areas.

- The need for flexibility is underscored by the type of information multi-investor funds is able to provide their bank investors with respect to the location of potential investments. The funds are not always able to identify the locations of their investment opportunities in advance, but the funds should be able to tell potential bank investors that although they may invest outside of the banks' assessment area(s), their loans and investments will have eventual impacts inside the banks' assessment area(s).

- The terms --- regional, statewide, multi-state, and nationwide --- also do not need to be important distinctions, since if community development projects outside the assessment area(s) get recognition, it should not matter how far outside of the assessment area(s) they may be located. The standard should simply be whether the fund in question has a service area that includes the bank's assessment area(s). Some Agencies have already successfully implemented the policy of dividing the country into four quadrants. Banks receive credit for their entire investment in a fund as long as at least one of the fund's activities is in a quadrant containing the banks' assessment area(s).

- We are concerned that the practice of earmarking projects financed with pooled funds, and side letters, create disincentives for banks to participate in multi-investor funds, and undermine the objectives of pooling funds from multiple institutions. Side letters can also restrict the CD funds' ability to cross-subsidize the more complex deals with simple ones. You can also avoid double-counting in nationwide funds if you give banks credit for the amount they invest.

NAHT would ask you to finalize the revisions as soon as possible. Thank you for your consideration.

Sincerely,

James Bowman
President & CEO