The ACTION Campaign represents over 2,300 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

**4 PERCENT HOUSING CREDIT IMPACT IN TENNESSEE**

**4% HOUSING CREDITS’ BENEFITS FOR LOW-INCOME FAMILIES & THE ECONOMY**

1986 – 2018

- **27,571** affordable homes in TN have been financed using the 4% Housing Credit
- **52.7%** of all Housing Credit homes in TN utilized the 4% Housing Credit
- **64,240** low-income households served
- **37,562** jobs supported for one year
- **$1.45 billion** tax revenue generated
- **$4.21 billion** wages & business income generated

**Congress Should Enact a Minimum 4% Housing Credit Rate**

The Housing Credit is our nation’s most successful tool for encouraging private investment in affordable rental housing. Today, the 4 percent Housing Credit finances about half of the annual affordable rental housing produced or preserved with the Housing Credit program.

However, the 4 percent Housing Credit is much lower than Congress originally intended because the 4 percent Housing Credit rate fluctuates monthly based on a formula tied to federal borrowing rates, which are now effectively at 0 percent. Enacting a minimum 4 percent Housing Credit rate would provide parity to the 9 percent Housing Credit rate, for which Congress enacted a minimum rate as part of the response to the 2008 economic collapse.

The ACTION Campaign calls on Congress to:

- Enact a minimum 4 percent Housing Credit rate.
- Enhance multifamily Housing Bonds, which provide critical financing to about 50 percent of Housing Credit-financed homes.

**THE 4% HOUSING CREDIT AND HOUSING BONDS**

There are two components of the Low-Income Housing Tax Credit (Housing Credit) program – the “9 percent Housing Credit” and the “4 percent Housing Credit.” The 4 percent Housing Credit is generally accessed with the use of Multifamily Housing Bonds (Housing Bonds), a type of tax-exempt private activity bond used by state and local housing finance agencies to acquire, construct, and rehabilitate affordable multifamily housing for low-income renters.

To access the full amount of the 4 percent Housing Credit equity, which is needed for financial feasibility, Housing Bonds must cover at least 50 percent of certain development costs.

**ADDRESSING OUR NATION’S SEVERE SHORTAGE OF AFFORDABLE HOUSING**

Setting a minimum 4 percent Housing Credit rate would provide for **1,265 additional affordable homes** to be built in Tennessee during 2020-2029.