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"Federal Low-income Housing Tax Credits: A Profitable
Affordable Housing Opportunity for Banks"

OCC Videotape and Workbook Set Now Available

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today announced the availability of a videotape and workbook set produced by the agency to show how national banks can participate in the federal low-income housing tax credit (LIHTC) program to provide affordable rental housing in their communities.

"The federal LIHTC program is a good mechanism for encouraging bank investments in affordable rental housing units in their local communities," said Comptroller Eugene A. Ludwig. "Projects with allocated tax credits offer banks strong investment returns, often with an average double-digit internal rate of return."

The program was created in 1986, and made permanent in 1993. Between 1993 and year-end 1996, national banks invested \$4.1 billion in community development corporations, community development projects and other public welfare investments. More than half of these investments involved federal low income housing tax credits to provide affordable rental housing for low and moderate-income families. Banks have also designed affordable housing mortgage programs with flexible underwriting criteria and have participated in special secondary market vehicles provided by Fannie Mae and Freddie Mac.

The videotape and workbook set is based on seminars sponsored by the OCC in Dallas and Chicago last fall, and attended by over 350 bankers, examiners and other interested parties. The videotape includes excerpts from the seminars and features representatives from large and small national banks, who discuss their successful experiences using LIHTCs.

The three-hour videotape summarizes how national banks can participate in providing affordable rental housing using the federal LIHTC program under the investment authority provided them by the OCC's community development and other public welfare investments regulations, 12 C.F.R. Part 24. In addition to demonstrating how banks can invest in a variety of entities that use federal LIHTCs, the videotape also shows how banks may participate by making regular, construction and permanent loans to provide affordable rental housing to low- and moderate-income persons and families and includes a discussion of the Internal Revenue Service requirements for obtaining and retaining the tax credits.

Also featured is a 90-minute "how-to" session that advises banks on how to use the federal low income housing tax credit program as limited partners, developers, investors in equity pools and other structures, and how to calculate project costs. The session also provides information on the profit potential and

risks for banks investing in and lending to LIHTC projects.

The workbook is designed to be used in conjunction with the videotape and contains resource materials, IRS guidance and regulations, OCC guidance, standards for state tax credit administration, and a listing of OCC contacts. The OCC has announced the availability of the complete videotape and workbook package to all national banks, non-profit and for-profit developers, and other interested parties. The price of the set is \$100, which includes all shipping and handling charges. An order form accompanies this release.

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The OCC charters, regulates and supervises approximately 2,800 national banks and 66 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.

ORDER FORM

To order the videotapes and workbook entitled "Federal Low-Income Housing Tax Credits: A Profitable Affordable Housing Opportunity for Banks" by credit card, you may fax your request to the Community Development Division on (202) 874-5566. The cost is \$100.

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To order by mail, please complete the following information and send with your check (\$100 made payable to the Comptroller of the Currency) to:

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