

February 16, 2021

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

**RE: Comments on Advanced Notice of Proposed Rule Making: Docket No. R-1723 and RIN 7100-AF94**

Secretary Misback:

As the Interim Executive Director of the Ohio Housing Finance Agency (OHFA), which administers the Low Income Housing Tax Credit (LIHTC) in the state of Ohio, I am writing to provide feedback regarding the Federal Reserve Board of Governor's Community Reinvestment Act (CRA) reform proposal. Our comments on the Advanced Notice of Proposed Rulemaking (ANPR) are outlined below:

As the state of Ohio's LIHTC allocator, we strongly urge that any changes to the Community Reinvestment Act (CRA) continue to incentivize investment in affordable housing through the Housing Credit Program. The Housing Credit is the primary mechanism by which we finance the new construction of affordable housing in our state and it is also the tool by which we preserve and rehabilitate existing affordable housing as well. Ohio ranks among the top 5 states in the nation with respect to existing federally assisted affordable housing, much of which serves very low, low and moderate income households, making the Housing Credit an indispensable resource. Critically, nearly three quarters of Housing Credit investment comes from banks that are powerfully motivated by CRA requirements, the absence of which could have a negative impact on our state's ability to meet our already overwhelming affordable housing needs.

We also encourage the Federal Reserve Board of Governor's final regulations to help address the wide variations in Housing Credit investment across regions. Even within Ohio's borders, Housing Credit pricing can fluctuate substantially depending on a property's geographic location. Pricing differentials for between developments in so-called "CRA hot spots" and "CRA desert" areas can be significant and is often particularly striking between our state's urban and rural communities even if only miles apart.

We encourage the Federal Reserve to retain the separate investment test to ensure that strong investment in the Housing Credit is maintained. Elimination of the separate investment test and consolidation under one community development financing test could have the impact of reducing Housing Credit investment in our state at a time when the need for affordable housing is at its peak.

The Board of Governor's has requested comment on how the Federal Reserve should treat community development activities outside of assessment areas and how they might operationalize nationwide assessment areas. As noted above, these assessments have a significant impact on credit investment throughout Ohio. To ensure that underserved communities in our state are still able to benefit from the Housing Credit investments that the CRA incentivizes, banks should be able to receive credit at the assessment area level for statewide Housing Credit investments made outside of an assessment area. Similarly, we encourage the Federal Reserve to provide incentives for serving traditionally underbanked communities for banks utilizing national assessment areas. These actions could further encourage Housing Credit investment throughout our state, but also have the effect of smoothing out some of the uneven regional pricing.

Finally, we simply wish to reiterate how critically important the Housing Credit is to affordable housing development and preservation to the state of Ohio and advise that any changes to CRA regulations minimize any potentially adverse impacts to investment in the Housing Credit.

Thank you very much for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn Smith". The signature is fluid and cursive, with the first name "Shawn" and the last name "Smith" clearly distinguishable.

Shawn Smith  
Interim Executive Director