



## **U.S. Treasury Department Office of Public Affairs**

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### **Fifth Round of New Markets Tax Credit Competition Opens For \$3.9 Billion in Investment**

Washington, DC- The U.S. Department of the Treasury announced today the opening of the fifth round of competition for tax credits on \$3.9 billion in investments under the New Markets Tax Credit (NMTC) Program. The NMTC Program attracts private-sector capital investment into the nation's urban and rural low-income areas to help finance community development projects, stimulate economic growth and create jobs.

Under this round of the NMTC Program \$3.5 billion in allocations authority is available under the general round and an additional \$400 million specifically for recovery and redevelopment in the Hurricane Katrina Gulf Opportunity Zone.

The NMTC Program, established by Congress in December of 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by Treasury's Community Development Financial Institutions (CDFI) Fund.

"I continue to be very impressed with the performance of the organizations awarded to date using the NMTC Program", said CDFI Fund Director Arthur A. Garcia. "Not just by the pace with which they are raising capital, but also because they are going beyond the requirements of the program by making investments in the most distressed of low-income communities and doing so with better market rates and terms." To date, 149 of the allocatees from the first three

rounds have already raised \$5.1 billion in equity from investors - credits on \$8 billion of expected investments was awarded over these three rounds. Through the first four rounds of the NMTC Program, the CDFI Fund has made 233 awards totaling \$12.1 billion in tax credit allocation authority.

Guidance and application materials on the fifth round of the NMTC Program are available on the CDFI Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). The allocation application deadline is February 28, 2007.

The CDFI Fund will be conducting several Application Workshops on the NMTC Program around the country in December. The purpose of these workshops is to describe how the NMTC Program works, including how to apply for certification as a CDE and how to apply for an allocation of NMTCs in the upcoming round. To learn more about this training or to register, please visit the CDFI Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).