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CDFI Fund Announces \$5 Billion in New Markets Tax Credits *Awards will Spur Economic and Community Development Nationwide*

WASHINGTON – The U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) announced \$5 billion in New Markets Tax Credits today that will spur investment and economic growth in low-income urban and rural communities nationwide. A total of 100 Community Development Entities (CDEs) were awarded tax credit allocations, made through the calendar year (CY) 2020 round of the New Markets Tax Credit Program (NMTC Program).

“These investments will create jobs and spur economic growth in urban and rural communities across the country,” Secretary of the U.S. Treasury, Janet L. Yellen, said. “Many of the communities that will receive these funds have confronted economic challenges over many decades. Challenges which have been made more difficult by a lack of investment. It’s critical that Congress sustain these investments over time by making the New Markets Tax Credit Program permanent.”

“For over 20 years, the New Markets Tax Credit has facilitated essential investments into low-income communities and businesses helping them to rebuild after years of disinvestment and enabling them to recover from external forces, such as the current pandemic, which have caused disproportionate harm to the businesses and families in these communities,” said CDFI Fund Director Jodie Harris.

The 100 CDEs receiving awards today were selected from a pool of 208 applicants that requested an aggregate total of \$15.1 billion in tax credit allocation authority. The award recipients are headquartered in 34 different states and the District of Columbia. One-fifth (20%) of the investments will be made in rural communities. It is estimated that these award recipients

will make more than \$1 billion in New Markets Tax Credit investments in non-metropolitan counties.

Today's announcement brings the total amount awarded through the NMTC Program to \$66 billion. Historically, NMTC Program awards have generated \$8 of private investment for every \$1 invested by the federal government. Through the end of fiscal year 2020, NMTC Program award recipients deployed almost \$56 billion in investments in low-income communities and businesses; with impacts such as the creation or retention of nearly 871,000 jobs, and the construction or rehabilitation of nearly 231.5 million square feet of commercial real estate.

2020 NMTC Program Award Resources

- The list of awards can be found in the Award Book, along with other information about these awards, [here](#).

About the New Markets Tax Credit Program

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in financial intermediaries known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities. CDEs must apply annually to the CDFI Fund to compete for New Markets Tax Credit Program allocation authority. Since the inception of the NMTC Program, the CDFI Fund has completed 17 allocation rounds and has made 1,354 awards totaling \$66 billion in tax allocation authority. This includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority used for the recovery and redevelopment of the Gulf Opportunity Zone.

To learn more about the New Markets Tax Credit Program, please view the program Fact Sheet or visit www.cdfifund.gov/nmtc.

About the CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded more than \$5.1 billion to CDFIs, community development organizations, and financial institutions through: the Bank Enterprise Award Program; the Capital Magnet Fund; the CDFI Rapid Response Program; the Community Development Financial Institutions Program, including the Healthy Food Financing Initiative; the Economic Mobility Corps; the Financial Education and Counseling Pilot Program; and the Native American CDFI Assistance Program. In addition, the CDFI Fund has allocated \$66 billion in tax credit allocation authority to Community Development Entities through the New Markets Tax Credit Program, and guaranteed bonds for over \$1.7 billion through the CDFI Bond Guarantee Program.

To learn more about the CDFI Fund and its programs, please view the Fact Sheet or visit the CDFI Fund's website at www.cdfifund.gov.

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