

NEW MARKETS TAX CREDIT COALITION

2010 NMTC Survey Overview and Instructions

Thank you for supporting the New Markets Tax Credit Coalition and the NMTC Program by responding to this survey of Round 1 through Round 6 NMTC Allocatees!

The following instructions are designed to guide you through the electronic survey.

TO START: *Print Out this document before logging into the electronic survey. It includes the instructions and a paper-version of the online survey for your reference.*

1. We encourage you to print out and review this document and gather any materials that you might need prior to beginning the online survey.
2. You will not be able to exit the survey before you have completed it and resume where you left off, so please take this into consideration before beginning the survey.
3. The survey has 9 sections and should take you between 45 and 90 minutes to complete.
4. You will find it easier to complete the online survey if you have the following documents on hand:
 - These instructions along with the attached PDF version of the Survey
 - Your Allocation Applications
 - Your Allocation Agreements
 - Transaction Level Reports as Submitted to the CDFI Fund.
5. If you completed last year's survey, your online survey this year will include answers from last year. All pre-populated data from last year's survey will be as of December 31, 2008 – So please review and update your data as requested.

If this is the first NMTC survey you are submitting – please know that we will save your data to make it easier to respond to surveys in future years.

6. Please report NMTC data just as you do to the CDFI Fund.
7. Do not use commas or decimal points between numbers.

8. If you make a mistake and have to go back to correct it, all subsequently answered questions (to the one that was changed) will need to be re-answered. ***If you encounter this problem please contact us and we will work with you to resolve the problem.***
9. All of the data collected in Parts 1-9 of this survey will be reported in the aggregate to illustrate how Allocatees in the first 6 Rounds are using the NMTC to raise and deploy capital. None of the data reported in Parts 1-9 will be attributed to a specific Allocatee.

Part 10 of the survey, which is optional, asks Allocatees to provide information on specific investments that have benefited communities through the NMTC. We ask you to attach press releases or case studies that you already have on hand. Part 10 is the only part of the survey where specific attribution may be given to an Allocatee.

10. Most of the questions ask for information as of December 31, 2009.

11. Common Acronyms:

CDE = Community Development Entity

QEI = Qualified Equity Investment

QLICI = Qualified Low Income Community Investment

QALICB = Qualified Active Low Income Community Business

12. Round numbers and years:

Round 1 – 2002

Round 2 – 2003-2004

Round 3 – 2005

Round 4 – 2006

Round 5 – 2007

Round 6 – 2008

If you have any questions, please call Rapoza Associates at 202-393-5225 or email: Elizabeth@rapoza.org.

NEW MARKETS TAX COALITION: SURVEY OF ROUND 1-6 ALLOCATEES

Thank you for supporting the New Markets Tax Credit Program by responding to this survey of Round 1 (2002) through Round 6 (2008) Allocatees!

The data collected from the NMTC Coalition's 2010 Survey will be compiled by the Coalition and released in the Coalition's 2010 NMTC Progress Report scheduled to come out this spring. All CDEs that complete this survey will be emailed a copy of the 2010 NMTC Progress Report.

The Survey has nine sections and should take between 45 and 90 minutes to complete. All answers will be analyzed at the aggregate level to ensure respondent anonymity. Your name and the name of your CDE is not associated with any of the results provided in the survey or reported in the 2010 Progress Report.

In order to save time, we encourage you to get the following documents in front of you before you start:

- Your Allocation Applications
- Your Allocation Agreements
- Transaction Level Reports as Submitted to the CDFI Fund
- A copy of the PDF version of the Questionnaire

Create Password (minimum of 4 alpha-numeric characters): _____

Note: Your password enables you to return to the same page of the survey from which you left. Re-click your email invitation link if you need to return to the survey after exiting it.

IMPORTANT:

- Dollar values should be entered **without** any commas
- Please check your work prior to clicking the Next button on every page. If you make a mistake and have to go back and correct it, all subsequently answered questions (to the one that was changed) will need to be re-answered.
- If you exit the survey prior to its completion, re-click your survey link to return from the page you left

Please click the Next button to advance

Part One. Basic Information

1. Name of Allocatee: _____
2. Name of Parent/Controlling Entity: _____
- 3M. According to the CDFI Fund's definition, is your CDE **currently** a minority owned or controlled CDE? (A minority owned or controlled CDE is a business that is more than 50% owned or controlled by one or more persons who are members of a minority ethnic group. If the business is a for-profit concern, more than 50% of its owners must be minorities; if the business is a non-profit concern, more than 50% of its board of directors must be minorities (or its Chief Executive Officer, Executive Director, General Partner or Managing Member must be a minority)).
 1. Yes
 2. No
3. For which rounds has your organization received a NMTC allocation? (Check all that apply)
 - ___ Round 1 (2002)
 - ___ Round 2 (2003-04)
 - ___ Round 3 (2005)
 - ___ Round 4 (2006)
 - ___ Round 5 (2007)
 - ___ Round 6 (2008)

4. Allocatee Service Area – check the service area that applies to the Round in which you received an allocation:

Service Area	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Local						
Statewide						
Multi-State						
National						

5. If Allocatee Service Area is Local (e.g. Los Angeles), please specify: _____
6. If Allocatee Service Area is Statewide, please specify the state: [drop down list]
7. For all Rounds, if Allocatee Service Area is Multi-state or National, please select all the states in which you have at least one QLICI as of 12/31/2009:
8. Please enter your contact information below.
 First & Last Name: _____
 Title: _____
 Telephone # _____
 E-mail: _____
9. Would you like additional information about the NMTC Coalition?
 3. Yes
 4. No

Part Two. Securing Investors and Issuing Qualified Equity Investments (QEIs)

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
10. What is the total dollar amount of your NMTC Allocation award for each round?	\$	\$	\$	\$	\$	\$
11. As of 12/31/09, what was the total dollar amount in QEIs your CDE had issued?	\$	\$	\$	\$	\$	\$
12. As of 12/31/09, what was the total dollar amount in QEIs legally committed but not yet issued?	\$	\$	\$	\$	\$	\$
13. What is the total dollar amount of new QEIs you plan to issue in calendar year 2010?	\$	\$	\$	\$	\$	\$

Verify: Please make sure that for each applicable round ...

- the sum of the second and third row item(s) do not exceed the first
- the sum of the second and fourth row item(s) do not exceed the first

14. Please estimate the percentage of your allocation(s) (in aggregate) that have been issued in QEIs to the following types of institutions: (Total should add up to 100%)
1. Bank _____%
 2. Unregulated financial services firm (e.g., GE Capital, Capmark Finance, etc.) _____%
 3. Insurance company _____%
 4. Venture capital fund _____%
 5. Corporation (other than listed above) _____%
 6. Individual _____%
 7. Other – please specify: _____%

Part Three. Deploying Allocations: Qualified Low Income Community Investments (QLICIs)

15. Once your CDE has issued a QEI, how long does it take, on average, to place the proceeds of that investment in a QLIC?
1. Less than one week
 2. One month or less
 3. 1-3 months
 4. 3-6 months
 5. 6-9 months
 6. 9-12 months
16. What are the flexible or non-traditional financing products offered most frequently by your CDE? Please check your top three. [\[Randomized List\]](#)
1. Equity Investments
 2. Equity Equivalent terms and conditions
 3. Debt w/equity features
 4. Subordinated debt
 5. Debt with Below market interest rates
 6. Debt with Lower than standard origination fees
 7. Debt with Longer than standard period of interest-only loan payments
 8. Debt with Higher than standard loan to value ratio
 9. Debt with Longer than standard amortization period
 10. More flexible borrower credit standards
 11. Non-traditional forms of collateral
 12. Lower than standard debt service coverage ratio
 13. Loan loss reserve requirements that are less than standard

Part Four. Deploying QLICIs – Rural, Minor Urban & Major Urban Areas

In this section, the goal is to quantify the total number and dollar amount of Qualified Low Income Community Investments (QLICIs) directed towards major urban, minor urban and rural/non-metropolitan areas as of 12/31/2009.

By QLIC, we mean an individual transaction that is in the form of:

- a loan or investment in a qualified business;
- the purchase of a qualified loan from another CDE;
- financial counseling to businesses or residents in a low income community;
- loans and equity investments in another CDE.

Thus, even if you made multiple QLICs in a single QALICB, you should record all of the QLICs here.

As of 12/31/09, what was ...	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
17. ... the total number of QLICs that you deployed for each round?						
18. ... the total dollar amount of QLICs that you deployed for each round?	\$	\$	\$	\$	\$	\$

Q19-24. In the table below, enter the total number and dollar amount of all QLICs as of 12/31/09 broken out by defined area.

CDFI Fund Definitions:

- **Major Urban Area** - a metropolitan area with a population equal to or greater than 1 million, including both central city and surrounding suburbs.
- **Minor Urban Area** - a metropolitan area with a population less than 1 million, including both central city and surrounding suburbs.
- **Rural Area** - areas not contained within major urban or minor urban areas.
- **Non-metropolitan Counties** - any county not contained within a Metropolitan Statistical Area as of the 2000 Census. The Tax Relief and Health Care Act of 2006 included language requiring the CDFI Fund to ensure that a "proportional allocation of QEIs" are provided to "non-metropolitan counties". Thus starting in 2008 with the Round 6 NMTC allocations, CDEs were asked to report on NMTC activity in non-metropolitan counties. Previously, for Round 1-5 allocatees, the CDFI Fund had asked for information regarding NMTC activity in rural areas - defined as any area not contained within a major urban or minor urban area.

As of 12/31/09, what was ...	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
19. ... the total number of QLICs that you have deployed to <u>major urban areas</u> for each round?						
20. ... the total number of QLICs that you deployed to <u>minor urban areas</u> for each round?						
21. ... the total number of QLICs that you deployed to <u>rural areas</u> for Rounds 1-5 and <u>non-metropolitan areas</u> for Round 6?						
22. ... the total dollar amount of QLICs that you deployed to <u>major urban areas</u> for each round?	\$	\$	\$	\$	\$	\$
23. ... the total dollar amount of QLICs that you deployed to <u>minor urban areas</u> for each round?	\$	\$	\$	\$	\$	\$
24. ... the total dollar amount of QLICs that you deployed to <u>rural areas</u> for Rounds 1-5 and <u>non-metropolitan areas</u> for Round 6?	\$	\$	\$	\$	\$	\$

24R: Did you indicate in your 2008 application for Round 6 that you are a Rural CDE? (This only applies to Round 6.)

1. Yes
2. No

Part Five. Deploying Allocations – Non-Real Estate & Real Estate Businesses

In this section please record the types of Qualified Low Income Community Investments (QLICs) that were made using your allocation(s) in Rounds 1 through 6 in non-real estate and/or real estate businesses (QALICBs) as of 12/31/2009. You are asked to record the total number of QLICs and dollar amount of QLICs (first for equity investments and then for loans) for both non-real estate and real estate businesses.

Note: The CDFI Fund defines a real estate business as a business that is principally engaged in the development of a specific real estate project or projects. Investments in real estate businesses (development, management or other) in support of their business operations, as opposed to a specific project or projects, are considered non-real estate business transactions.

25. For all rounds in which an allocation was received, what percentage of total investment or project costs for your QALICBs were financed with NMTC vs. other sources of funding? ____%

Equity Investments in non-real estate businesses

What were the total number of equity investments in non-real estate businesses as of 12/31/09?

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
26a. Total <i>number</i> of equity investments in <i>non-real estate</i> businesses						

What were the total *number* of equity investments in non-real estate businesses as of 12/31/09?

26. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Education						
Healthcare						
Industrial or manufacturing						
Energy, agribusiness or green business						
Transportation						
Retail						
Hospitality						
Mixed-use						
Community Facility						
Other – please specify:						

What were the total *dollar* amount equity investments in non-real estate businesses as of 12/31/09?

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
27a. Total <i>dollar amount</i> of equity investments in <i>non-real estate</i> businesses	\$	\$	\$	\$	\$	\$

27. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Education	\$	\$	\$	\$	\$	\$
Healthcare	\$	\$	\$	\$	\$	\$
Industrial or manufacturing	\$	\$	\$	\$	\$	\$
Energy, agribusiness or green business	\$	\$	\$	\$	\$	\$
Transportation	\$	\$	\$	\$	\$	\$
Retail	\$	\$	\$	\$	\$	\$
Hospitality	\$	\$	\$	\$	\$	\$
Mixed-use	\$	\$	\$	\$	\$	\$
Community Facility	\$	\$	\$	\$	\$	\$
Other (from Q26):	\$	\$	\$	\$	\$	\$

What were the total *number* of loans to non-real estate businesses as of 12/31/09?

30. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Education						
Healthcare						
Industrial or manufacturing						
Energy, agribusiness or green business						
Transportation						
Retail						
Hospitality						
Mixed-use						
Community Facility						
Other – please specify:						

What were the total *dollar* amount of loans to non-real estate businesses as of 12/31/09?

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
31a. Total <i>dollar amount</i> of loans to <i>non-real estate</i> businesses	\$	\$	\$	\$	\$	\$

31. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Education	\$	\$	\$	\$	\$	\$
Healthcare	\$	\$	\$	\$	\$	\$
Industrial or manufacturing	\$	\$	\$	\$	\$	\$
Energy, agribusiness or green business	\$	\$	\$	\$	\$	\$
Transportation	\$	\$	\$	\$	\$	\$
Retail	\$	\$	\$	\$	\$	\$
Hospitality	\$	\$	\$	\$	\$	\$
Mixed-use	\$	\$	\$	\$	\$	\$
Community Facility	\$	\$	\$	\$	\$	\$
Other (from Q30):	\$	\$	\$	\$	\$	\$

Loans to real estate businesses

What were the total *number* of loans to real estate businesses as of 12/31/09?

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
32a. Total <i>number</i> of loans to real estate businesses						

What were the total *number* of loans to real estate businesses as of 12/31/09?

32. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Retail						
Office Space						
Mixed-Use						
Industrial/Mfg.						
For-Sale Housing						
Community Facility						
Other – please specify:						

What were the total *dollar* amount of loans to real estate businesses as of 12/31/09?

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
33a. Total <i>dollar amount</i> of loans to real estate businesses	\$	\$	\$	\$	\$	\$

33. Please break down by type below	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
Retail	\$	\$	\$	\$	\$	\$
Office Space	\$	\$	\$	\$	\$	\$
Mixed-Use	\$	\$	\$	\$	\$	\$
Industrial/Mfg.	\$	\$	\$	\$	\$	\$
For-Sale Housing	\$	\$	\$	\$	\$	\$
Community Facility	\$	\$	\$	\$	\$	\$
Other (from Q32):	\$	\$	\$	\$	\$	\$

Part Six. Deploying Allocations -- Other

In this section, you are asked to quantify the total number and dollar amount of investments in other CDEs, loans to other CDEs, loan purchases from other CDEs, and financial counseling and other services as of 12/31/2009.

34. As of 12/31/09, what was the total number for each of the following?	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
a. Equity investments in other CDEs.						
b. Loans to other CDEs.						
c. Loan purchases from other CDEs.						
d. Financial counseling and other services provided.						

35. As of 12/31/09, what was the total dollar amount for each of the following?	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
a. Equity investments in other CDEs.	\$	\$	\$	\$	\$	\$
b. Loans to other CDEs.	\$	\$	\$	\$	\$	\$
c. Loan purchases from other CDEs.	\$	\$	\$	\$	\$	\$
d. Financial counseling and other services provided.	\$	\$	\$	\$	\$	\$

Part Seven. Deploying Allocations – Economically Distressed or Underserved Communities

36. As of 12/31/09, what was the **total number of QLICs** that you made in each of the following categories of economically distressed or underserved communities?

<i>Please enter the total number of transactions for each category.</i>	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
a. Poverty Rates >30%						
b. Median Incomes <60%						
c. Unemployment ≥ 1.5 times the national average						
d. Federally-designated EZ, EC, or RC						
e. SBA-designated HUB Zones						
f. Brownfield redevelopment areas						
g. Areas encompassed by a HOPE VI redevelopment plan						
h. Federally-designated Native American, Alaskan Native area, Hawaiian Homelands, or Tribal area						
i. Area designated as distressed by the Appalachian Regional Commission or the Delta Regional Authority						
j. Colonias areas designated by HUD						
k. Federally-designated medically underserved areas						
l. CDFI Hot Zone						
m. Projects serving Targeted Populations						
n. High migration rural county						
o. USDA Champion Communities or Rural Economic Area Partnership (REAP) Zones						
p. State or local tax increment financing districts, EZs or other locally designated areas of distress						
q. Counties for which FEMA has issued a “major disaster declaration” and determined the county eligible for both “individual and public assistance” provided that, with exception of GO Zone, initial investment will be made within 18 months of disaster declaration						
r. Non-metro areas: >25% Poverty, <70% Median Family Income, >1.25 times the national unemployment rate						

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
37. What percentage of your total number of QLICs was used to finance activities in one or more of the economically distressed areas identified above?						

37TP. Has your CDE invested in a QALICB that qualified for a NMTC investment using the Targeted Population guidance? Note: Under the NMTC statute the definition of a “low income community” includes “Targeted Population” defined as certain individuals, or an identifiable group of individuals, including an Indian Tribe, who are Low-Income Persons; or) otherwise lack adequate access to loans or equity investments.

1. Yes
2. No

37TPyes. If yes, enter the number of these types of investments for each year.

	2002	2003-2004	2005	2006	2007	2008
Number for each year:						

Part Eight. Pipeline of Investments

Please answer the following questions based on your current pipeline of QALICBs seeking NMTC financing and your experience to date in terms of deploying QLICs over a 12 month period. This section is designed to determine the demand for NMTC financing.

	Rd 1 /2002	Rd 2 /2003-4	Rd 3 /2005	Rd 4 /2006	Rd 5 /2007	Rd 6 /2008
38. What is the total number of transactions in your pipeline that you anticipate closing between 1-1-2010 and 12-31-2010?						
39. What is the total dollar amount of transactions in your pipeline that you anticipate closing between 1-1-2010 and 12-31-2010?	\$	\$	\$	\$	\$	\$

Part Nine. NMTC Program Changes and Trends

The following questions are designed to determine whether the economic downturn has impacted the NMTC industry and if so, how.

40. Has your CDE encountered any of the following situations with NMTC investors over the last year? (Check all that apply)

A1. Has an investor withdrawn or otherwise been unable to close a QLICI transaction as anticipated? ___Yes ___ No

A2. If yes, please describe: _____

B1. Has an investor changed the terms, conditions, or pricing of its QEI investment? ___Yes ___ No

B2. If yes, please describe: _____

C1. Have the terms of leveraged investor transactions changed, in terms of availability, pricing, debt equity ratios or other issues? ___Yes ___ No

C2. If yes, please describe: _____

D1. Is your CDE using NMTC financing to cover a larger percentage of a business' total project cost than it has in the past? ___Yes ___ No

D2. If yes, please describe? _____

41. Are there any other changes or trends you would like to note?

42a. Since your CDE made its first QLICI, has your NMTC portfolio changed in terms of the average size of a QLICI, the percentage of a project financed by NMTC, the types of QALICB being financed?
 Yes No

42b. If yes, please describe.

Part Ten. NMTC Investment Descriptions

Reminder: Please send to the NMTC Coalition your descriptions of any NMTC investments that you closed on or before 12/31/2009. The descriptions can be press releases or other short summaries of the business or real estate transaction that you have on hand.

For reference, you may view prior year Progress Reports at:

<http://www.nmtccoalition.org/new-markets-tax-credit/reports-case-studies/>

Please email descriptions to Rapoza Associates at NMTCCoalition@rapoza.org.

Suggestions: If you'd like to share your reactions to this survey and provide suggestions for its improvement, please do so in the space below.

Thank you for taking the time to complete the survey!