



TO: NMTCC Board

FROM: Bob Rapoza

RE: CDFI Fund Amendment to NOAA; Will Award \$7 billion in 2016

DATE: April 18, 2016

The PATH Act, which was enacted in December, 2015, extended the New Markets Tax Credit (NMTC) for five years. Under the Act, between 2015-2019 a total of \$17.5 billion in NMTC allocation authority will be available: \$3.5 billion per year. Today, the CDFI Fund announced plans to implement the largest and longest authorization of the NMTC since the Credit was established in 2000.

Below, please find a link to the CDFI Fund's Amendment to the CY 2015 NOAA. For applications submitted in response to the October, 2015 NOAA, the Fund will combine the 2015 and 2016 authorizations and award \$7 billion Credits later this year. After this combined round, Treasury will conduct three more rounds of allocations awards of \$3.5 billion each in 2017, 2018, and 2019. In short, the \$17.5 billion authorized in the PATH Act will be allocated in four rounds: the first for \$7 billion (later this year), and the next three at \$3.5 billion each in 2017, 2018, and 2019.

As you know, the Coalition wrote to the CDFI Fund in December in support of combining the authorizations for 2015 and 2016 in order to meet the limit established in the NOAA of \$5 billion.

Treasury's action is not unprecedented as the Bush Administration took similar measures to combine rounds during the launch of the NMTC. Combining the 2015 and 2016 rounds will also allow Treasury to 'catch-up'. Beginning in 2017, the CDFI Fund will be in a position to make allocation awards in the year in which credit are authorized.

These awards will represent the largest allocation in the history of the NMTC and will provide a substantial boost to revitalization efforts.

The CDFI Fund's announcement included an FAQ that I urge you to review.

We have scheduled a board call for Wednesday, April 20 at 2 pm eastern to discuss the amended NOAA. You will receive an outlook invitation presently.

Thank you for your attention to this matter.

Link to CDFI Fund Notice and FAQ:

[https://www.cdfifund.gov/Documents/2015%20NMTC%20NOAA%20Amendment.pdf;](https://www.cdfifund.gov/Documents/2015%20NMTC%20NOAA%20Amendment.pdf)

<https://www.cdfifund.gov/Documents/NMTC%20NOAA%20QA%20FINAL%20041216.pdf>