



Security State Bank

June 25, 2007

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Ms. Kimberly Reed
NMTC Program Director
CDFI Fund—U.S. Department of the Treasury
601 13th St., NW – Suite 200 South
Washington, DC 20005

Dear Ms. Reed:

The community of New Hampton, like similar smaller communities in Iowa, is most anxious to qualify for New Market Tax Credits.

Cited below are our comments pursuant to the May 22 Federal Register Notice. Our main suggestion is this:

If any contiguous county to qualifying rural census tract is considered to be rural and a part of the qualifying census tract's workforce labor shed, then that contiguous county should be deemed to be a qualifying census tract for NMTC awards!

1. Allocation of QEIs:

We feel strongly that a desired proportion of NMTC allocation authority (as a percentage of the total dollar amount of allocation authority) in any given NMTC allocation round, is provided CDE's headquartered in non-metropolitan counties.

2. Principal Service Area of Allocates:

Should the CDFI Fund endeavor to ensure that either a desired proportion of NMTC allocation authority (as a percentage of the total dollar amount of allocation authority) in any given NMSTC allocation round, is provided to CDE's principally serving non-metropolitan counties? We agree. We feel 50% is the appropriate allocation of QLIC's.

3. Location of QLICI'S:


We believe the non-metropolitan counties will be best served by non-metropolitan CDS's as the program relates to non-metropolitan counties. Consequently, we believe that CDE's should be based in non-metropolitan areas or metropolitan areas of less than a population of one-million. CDE's based in metropolitan areas of a million population or more should not access the NMTC's intended for non-metropolitan areas.

4. Proportionality:

We believe 25% would be the appropriate definition of the population that resides in non-metropolitan areas. Non-metropolitan America has been under-funded and the 25%-35% of NMTC's authorized for non-metropolitan areas should be allocated in full, irrespective of the ratio of applying non-metropolitan CDE's to all applying CDE's. The percentage of QLICI's made in low-income communities should be based upon the total dollar amount of these QLICI's.

Rural out migration has been going on for years; as the young leave, the rural areas die without them. But few in these dying areas qualify as targeted areas. The older folks who remain often have incomes just adequate to sustain them, but not enough to exceed CDFI's eligibility standards.

Most respectfully and sincerely,



Robert R. Rigler
Chairman of the Board

Cc: Mr. Matt Joseph, Manager – New Market Tax Credits, CDFI Fund