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Community Development  
Banking Group  
DC1-701-08-05  
730 15<sup>th</sup> Street, NW  
Washington, DC 20005

July 6, 2007

Sent Via Mail and E-Mail

Mr. Matt Josephs  
NMTC Program Manager  
Community Development Financial Institutions Fund  
U.S. Department of Treasury  
601 13th Street, N.W., Suite 200 South  
Washington, DC 20005

Dear Matt:

This letter is in response to the May 22, 2007 "Request for Public Comments" ("Request") inviting suggestions for how the Community Development Financial Institutions ("CDFI") Fund should "ensure that non-metropolitan counties receive a proportional allocation of QEIs" consistent with the New Markets Tax Credit ("NMTC") extension legislation passed early in 2007. We fully support the recommendations of the National Housing & Rehabilitation Association (NH&RA) NMTC Council Steering Committee to which we are a co-signer, and the importance of the issue further demands our individual response. Our response addresses the four areas specifically identified in the request for comments.

**Introduction**

Before we can address the four key areas, we would first suggest that a refinement of the definition of "non-metropolitan counties" is necessary. As the NH&RA NMTC Council Steering Committee's response points out, the NMTC program is geographically based on census tracts rather than counties. As such, in order to ensure consistency with other aspects of the program, we would recommend that "non-metropolitan" classification use a "census tract-based" requirement, specifically the Rural-Urban Commuting Area Codes ("RUCA"), as described on the United States Department of Agriculture (Economic Research Service) website (<http://www.ers.usda.gov/Data/RuralUrbanCommutingAreaCodes/>). This would also be preferable to the current classification of "non-metropolitan areas" based on OMB Bulletin No. 04-03. As a 4<sup>th</sup> round allocatee and a 5<sup>th</sup> round applicant, we have focused special attention on identifying potential projects in "non-metropolitan areas." Through this process, we have often been surprised that many projects located in outlying areas in desperate need of basic infrastructure do not fit this definition of "non-metropolitan areas." They would, however, likely fall into Code 4 through 10 under the RUCA system. We therefore recommend using the RUCA code system to ensure that the NMTC program reaches the "non-metropolitan areas" that are truly rural and do not often have access to private capital.

Furthermore, it should be noted that many non-metropolitan areas do not meet the criteria of areas of higher economic distress as defined by the NMTC program. As such, allocatees must often choose between serving non-metropolitan areas and serving areas of higher economic distress. To resolve this issue, we recommend making non-metropolitan areas a stand-alone indicator of

- 3) Non Metro Areas percentage should not apply to reinvestments.
- 4) To the extent that the Allocatee was only marginally shy of meeting their commitment to deploy allocation in non-metropolitan areas, the CDFI Fund could waive such default as immaterial.

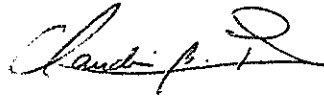
**Conclusion**

This response has addressed each of the four key areas set forth in the Request for Public Comments, but the first step in administering the non-metropolitan area requirement is clearly refining the definition of “non-metropolitan area.” Additionally, any solution that is implemented will likely need to be assessed and fine tuned once it is put in place to ensure the desired results have been achieved. We welcome any questions you may have. You can reach us via email at [iris.y.sevi@bankofamerica.com](mailto:iris.y.sevi@bankofamerica.com) and [Claudia.robinson@bankofamerica.com](mailto:Claudia.robinson@bankofamerica.com). Thank you for the opportunity to comment on this important endeavor. We look forward to future discussions and guidance on this requirement.

Sincerely,



Iris Bashein, SVP



Claudia Robinson, SVP