

Rural Opportunities Inc.
400 East Avenue
Rochester, NY 14607

Matt Josephs
New Markets Tax Credit Program Manager
Community Development Financial Institutions Fund
U. S. Department of Treasury
601 13th Street, NW Suite 200 South
Washington DC 20005

Re: Proportional Allocation of Qualified Equity Investment to Non-Metropolitan Areas

Sent via email: cdfihelp@cdfi.treas.gov

July 6, 2007

Dear Matt:

I am providing comments on behalf of Rural Opportunities Inc. on the Request for Public Comment dated May 22, 2007 which requests guidance on how to ensure that non-metropolitan counties receive a proportional allocation of Qualified Equity Investments (QEIs). While Rural Opportunities Inc. has never been a direct NMTC allocatee, we have assisted allocatee's in marketing NMTC deals in our service area.

ROI's CDFI subsidiary currently does a significant amount of lending and small business technical assistance in rural upstate New York communities and in rural Puerto Rico. While our CDFI's headquarters is in an urban area the majority of the loans we make are in rural counties. It has also been our experience that it is easier to attract urban sources of capital to invest in our loan fund than it has been to attract investors based in rural areas.

For this reason we would be opposed to any attempt to insure proportionality in allocations based on the location of the investors or the allocatees. Rather we believe that rural economic development will best be served by using the actual location of the Qualified Low Income Community Investments to insure that rural areas receive a proportionate share of these investments. We believe that the CDFI Fund can best achieve the goal of proportional allocation by scoring applications on the basis of their track record of serving rural areas and the percentage of Qualified Low Income Community Investments that they propose to make available in rural communities.

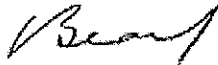
We would also urge the CDFI Fund to grapple with the issue of enabling investments in rural areas in which retiring urban dwellers have pushed up the median income of attractive counties while the rural surroundings remain quite depressed. Rural Opportunities has been bumping into this situation in the rural Finger Lakes region of New York, where relatively wealthy retirees buying up land around the lakes have pushed up the median income of the villages in the counties. We recently attempted to help a group seeking a NMTC deal for a grape-crushing facility that would serve the local small farm wineries. Even though most of the wineries are located in eligible NMTC census tracts, the nearby

village with potential buildings and existing infrastructure was not eligible because of the income level of the recent influx of relatively wealthy retirees.

While we realise that any system designed to target investments to those most in need is subject to difficulties, we would hope that in rural areas, which often don't have a great deal of segregation by income, that your systems would provide maximum flexibility while retaining the goal of serving those most in need.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lee Beaulac', written in a cursive style.

Lee Beaulac

Senior VP for Community & Economic Development