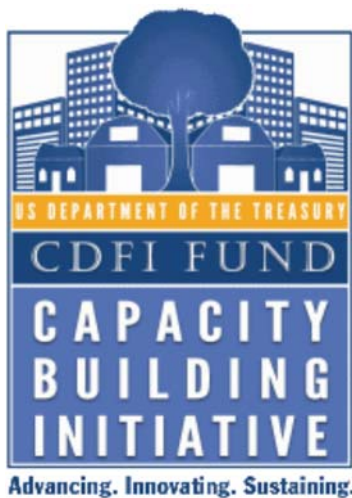


- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- HOW TO APPLY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY



Demand Up 26 Percent for New Markets Tax Credits

314 Applications Received Requesting \$26.7 Billion

August 4, 2011

Washington, DC - The U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) announced today that it received a total of 314 applications under the 2011 round of the New Markets Tax Credit Program (NMTC Program). This is the largest number of NMTC Program applications the CDFI Fund has received from Community Development Entities (CDEs) since 2002, the first year the program was available, and reflects an increase of 26 percent over the number of applications received for the 2010 round.

In addition, the aggregate total of \$26,662,579,721 in NMTC allocation authority requested by the applicants for calendar year 2011 is an increase of 14 percent over the amount requested last year, and over seven times more than the \$3.5 billion of NMTC allocation authority available under the 2011 allocation round. The CDEs that applied under the 2011 round are headquartered in 44 states and the District of Columbia.

"The strong, continuous demand for New Markets Tax Credits allocation authority demonstrates the critical need for investments in our nation's low-income communities," said CDFI Fund Director Donna J. Gambrell. "The New Markets Tax Credit is an effective – and cost-effective – way to create jobs and drive investment in communities with high rates of poverty and unemployment."

With many of these communities still trying to get back on their feet after the recent economic downturn, Director Gambrell said that "it isn't surprising that we have such a high demand for New Markets Tax Credits. The economic development industry has long known how valuable a tool these tax credits are for bringing together the final layer of financing for essential economic development and community service projects."

The NMTC Program was established by Congress in December of 2000 and permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in CDEs. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by the CDFI Fund.

The application deadline was July 27, 2011. The CDFI Fund anticipates announcing the organizations that will receive New Markets Tax Credit allocations in early 2012.

Through the first eight rounds of the NMTC Program, the CDFI Fund has made 594 awards totaling \$29.5 billion in tax credit allocation authority. The NMTC Program was recently selected as a Top 25 government program in the competition for the prestigious Innovations in American Government Award

administered by the Harvard Kennedy School's Ash Center.

Additional information can be found on the CDFI Fund's web site at www.cdfifund.gov.

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