July 16, 2007

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Attn: NMTC Project Manager

CDIF Fund

U.S. Department of the Treasury

601 13th Street, N.W., Suite 200 South

Washington, DC 20005

Dear Project Manager:

Delta Trust & Bank welcomes the opportunity to comment on the May 22 request for comment in the Federal Register relating to New Markets Tax Credits and specifically how the CDFI Fund can ensure that non-metropolitan counties receive proportional allocation of qualified equity investments (QEIs). Arkansas is a highly rural state. Our bank has offices in two largely, rural counties in the Mississippi Delta—Ashley and Chicot.

In answer to question 1 – Allocation of QEIs

We do not believe that equity investors should be limited by requiring that a certain proportion reside or be headquartered in non-metropolitan counties. Neither do we believe that the program is enhanced by requiring that a desired proportion of NMTC allocates be headquartered in non-metropolitan counties. We do support; however, that a certain proportion of the NMTC allocation provided in any given allocation be provided to CDEs headquartered in non-metropolitan counties. This would help ensure that rural areas are being benefited by the program while not enlisting any unreasonable restrictions that would render the program ineffective.

Regarding the principal service areas of allocates, we generally do not believe that a positive outcome will result from requiring a certain percentage in any given allocation to principally be for qualified low income community investments in non-metropolitan counties. A better outcome would be that a desired proportion of the NMTC be provided to CDEs principally serving non-metropolitan counties. We

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also suggest that the most realistic and appropriate meaning of "principally serving" would be 50 percent of the total qualified low income community investment.

With regard to the location of the qualified low income community investment, we do not believe non-metropolitan counties will be best served by non-metropolitan CDEs. We consequently believe that CDEs should be based in non-metropolitan areas or metropolitan areas of less than one million in population. CDEs based in metropolitan areas of a million in population or more should not access the NMTCs intended for non-metropolitan areas.

In answer to question 2 – Proportionality

Specifically, with respect to alternatives (a) and (d) we feel the most appropriate definition of the term proportional should be the proportion of low-income communities that are located in non-metropolitan areas (approximately 25 percent). This provides additionally flexibility for some truly needy areas of our state.

With respect to alternatives (b) and (c) we do not believe either alternative is acceptable. Non-metropolitan America has been under-funded and the 25-35 percentage of NMTC authorized for non-metropolitan areas should be allocated in full irrespective of the ratio of applying non-metropolitan CDEs to all applying CDEs.

Regarding alternatives (c) and (d) we feel the total dollar amount of these qualified low income community investments is the best basis rather than the total number.

Rural America and the Mississippi Delta region began bleeding from out-migration many years ago for a variety of reasons. As its older citizens die, they are not being replaced. It is our belief that the New Market Tax Credit Program has the potential to be very helpful to rural America but the eligibility test of the CDFI does not adequately evaluate either the needs of these regions or the risk of such regions' disappearance from the American montage. For example, perhaps other demographic trends showed be considered, such as age. Many communities only have older citizens remaining.

Additionally, given that only 7 percent of the previous NMTC awards have gone to non-metropolitan America and that 25 percent of the qualifying census tracts are non-metropolitan, we recommend that

35 percent of future awards be made in non-metropolitan census tracts. Awards from this 35 percent allocation should be made only to CDIFs and CDEs located in non-metro areas or metro areas of less than one million in population and also domiciled in states that have only non-metro census tracts or metro areas of less than 1 million population. Awards made from this 35 percent may also only be deployed within those states that do not have any metropolitan areas exceeding one million in population.

In determining a non-metro NMTC award, we suggest that the CDFI also consider the workforce labor shed surrounding the qualifying census tract. If any contiguous census tract to a qualifying non-metro census tract is also considered to be non-metropolitan, and part of the qualifying census tract's workforce labor shed comes from that contiguous census tract, then that contiguous census tract should be deemed to be a qualifying census tract for NMTC awards.

Thanks for reviewing this program and its impact on rural America.

Sincerely,

Bruce Timmons

Bruce Timmons

Executive Vice President