

BILLING CODE 4810-70-P

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

FUNDING OPPORTUNITY TITLE: Notice of Allocation Availability (NOAA) Inviting Applications for the Calendar Year (CY) 2014 Allocation Round of the New Markets Tax Credit (NMTC) Program.

ANNOUNCEMENT TYPE: Announcement of NMTC allocation availability.

DATES: Electronic applications must be received by 5:00 p.m. ET on October 1, 2014.

Applications sent by mail, facsimile or other form will not be accepted. Please note the Community Development Financial Institutions Fund (CDFI Fund) will only accept applications and attachments (i.e., the CDE's authorized representative signature page, the Controlling Entity's representative signature page, investor letters and organizational charts) in electronic form (see Section IV.D. of this NOAA for more details).

Applications must meet all eligibility and other requirements and deadlines, as applicable, set forth in this NOAA. NMTC allocation Applicants that are not yet certified as Community Development Entities (CDEs) must submit an application for CDE certification that is postmarked on or before August 22, 2014 (see Section III of this NOAA for more details).

EXECUTIVE SUMMARY: This NOAA is issued in connection with the CY 2014 allocation round (Allocation Round) of the New Markets Tax Credit (NMTC) Program, as initially authorized by Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000 (P.L. 106-554) and amended by section 221 of the American Jobs Creation Act of 2004 (P.L. 108-357), section 101 of the Gulf Opportunity Zone Act of

2005 (P.L. 108-357), Division A, section 102 of the Tax Relief and Health Care Act of 2006 (P. L. 109-432), section 733 of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (P.L. 111-312), and the American Taxpayer Relief Act of 2012 (the Act). Through the NMTC Program, the CDFI Fund provides authority to CDEs to offer an incentive to investors in the form of tax credits over seven years, which is expected to stimulate the provision of private investment capital that, in turn, will facilitate economic and community development in Low-Income Communities. Through this NOAA, the CDFI Fund announces the availability of up to \$5.0 billion of NMTC investment authority, subject to Congressional authorization.

In this NOAA, the CDFI Fund specifically addresses how an entity may apply to receive an allocation of NMTCs, the competitive procedure through which NMTC allocations will be made, and the actions that will be taken to ensure that proper allocations are made to appropriate entities.

I. ALLOCATION AVAILABILITY DESCRIPTION

A. Programmatic changes from CY 2013 allocation round:

1. Allocation amounts: As described in Section IIA, the CDFI Fund anticipates that it will provide NMTC allocation awards for not more than \$125 million of allocation per Allocatee.

2. Prior QEI Issuance Requirements: In order to be eligible to apply for NMTC allocations in this Allocation Round, as described in Section III.A.2(a), Applicants that have received NMTC allocation awards in previous rounds are required to meet minimum Qualified Equity Investment (QEI) issuance thresholds with respect to their

prior-year allocations. These thresholds and deadlines have been revised in comparison to the CY 2013 NOAA.

B. Program guidance and regulations: This NOAA provides guidance for the application and allocation of NMTCs for this Allocation Round of the NMTC Program and should be read in conjunction with: (i) guidance published by the CDFI Fund on how an entity may apply to become certified as a CDE (66 Federal Register 65806, December 20, 2001); (ii) the final regulations issued by the Internal Revenue Service (26 CFR 1.45D-1, published on December 28, 2004), as amended and related guidance, notices and other publications; and (iii) the application and related materials for this Allocation Round. All such materials may be found on the CDFI Fund's website at <http://www.cdfifund.gov>. The CDFI Fund encourages Applicants to review these documents. Capitalized terms used, but not defined, in this NOAA shall have the respective meanings assigned to them in the allocation application, IRC § 45D or the IRS regulations. In the event of any inconsistency between the allocation application, IRC § 45D or the IRS regulations, the provisions of IRC § 45D and the IRS regulations shall govern.

II. ALLOCATION INFORMATION

A. Allocation amounts: Pursuant to the Act, the CDFI Fund expects that it may allocate to CDEs the authority to issue to their investors up to the aggregate amount of \$5.0 billion in equity as to which NMTCs may be claimed, as permitted under IRC § 45D(f)(1)(D). Pursuant to this NOAA, the CDFI Fund anticipates that it will not issue more than \$125 million in tax credit investment authority per Allocatee. The CDFI Fund, in its sole discretion, reserves the right to allocate amounts in excess of or less than the anticipated maximum allocation amount should the CDFI Fund deem it appropriate. In

order to receive an allocation in excess of the \$125 million cap, an Applicant, at a minimum, will need to demonstrate that: (i) no part of its strategy can be successfully implemented without an allocation in excess of the applicable cap; and/or (ii) its strategy will produce extraordinary community outcomes. The CDFI Fund reserves the right to allocate NMTC authority to any, all, or none of the entities that submit an application in response to this NOAA, and in any amount it deems appropriate.

B. Types of awards: NMTC Program awards are made in the form of allocations of tax credit investment authority.

C. Allocation Agreement: Each Allocatee under this NOAA must sign an Allocation Agreement, which must be countersigned by the CDFI Fund, before the NMTC allocation is effective. The Allocation Agreement contains the terms and conditions of the allocation. For further information, see Section VI of this NOAA.

III. ELIGIBILITY

A. Eligible Applicants: IRC § 45D specifies certain eligibility requirements that each Applicant must meet to be eligible to apply for an allocation of NMTCs. The following sets forth additional detail and certain additional dates that relate to the submission of applications under this NOAA for the available NMTC investment authority.

1. CDE certification: For purposes of this NOAA, the CDFI Fund will not consider an application for an allocation of NMTCs unless: (a) the Applicant is certified as a CDE at the time the CDFI Fund receives its NMTC Program allocation application; or (b) the Applicant submits an application for certification as a CDE that is Postmarked on or before August 22, 2014. Applicants for certification may obtain a CDE certification application through the CDFI Fund's website at <http://www.cdfifund.gov>. Applications

for CDE certification must be submitted as instructed in the application form. An Applicant that is a Community Development Financial Institution (CDFI) or a Specialized Small Business Investment Company (SSBIC) does not need to submit a CDE certification application; however, it must register as a CDE on the CDFI Fund's website on or before 5:00 p.m. ET on August 22, 2014. See Section IV.D.1(b) of this NOAA for further requirements relating to Postmarks.

The CDFI Fund will not provide NMTC allocation authority to Applicants that are not certified as CDEs or to entities that are certified as Subsidiary CDEs.

If an Applicant that has already been certified as a CDE wishes to change its designated CDE service area, it must submit its request for such change to the CDFI Fund, and the request must be received by the CDFI Fund by 5:00 p.m. ET on August 22, 2014. The CDE service area change request must be sent from the Applicant's authorized representative and include the applicable CDE control number, the revised service area designation, and an updated accountability chart that reflects representation from Low-Income Communities in the revised service area. The service area change request must be sent by e-mail to ccme@cdfi.treas.gov.

2. Prior awardees or Allocatees: Applicants must be aware that success in a prior application or allocation round of any of the CDFI Fund's programs is not indicative of success under this NOAA. For purposes of this section, the CDFI Fund will consider an Affiliate to be any entity that meets the definition of Affiliate as defined in the NMTC allocation application materials, or any entity otherwise identified as an Affiliate by the Applicant in its NMTC allocation application materials. Prior awardees of any CDFI Fund program are eligible to apply under this NOAA, except as follows:

(a) Prior Allocatees and Qualified Equity Investment (QEI) issuance requirements: The following describes the QEI issuance requirements applicable to prior Allocatees.

An Allocatee in the CY 2009 allocation round of the NMTC Program is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has finalized at least 95 percent of its QEIs relating to its CY 2009 NMTC allocation.

An Allocatee in the CY 2010 allocation round of the NMTC Program is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has: (i) finalized at least 80 percent of its QEIs relating to its CY 2010 NMTC allocation; or (ii) it has finalized at least 70 percent of its QEIs and that at least 100 percent of its total CY 2010 NMTC allocation has been finalized, or has been committed by its investors.

An Allocatee in the CY 2011 allocation round of the NMTC Program is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has: (i) finalized at least 70 percent of its QEIs relating to its CY 2011 NMTC allocation; or (ii) it has finalized at least 60 percent of its QEIs and that at least 80 percent of its total CY 2011 NMTC allocation has been finalized, or has been committed by its investors.

An Allocatee (with the exception of a Rural CDE Allocatee) in the CY 2012 allocation round of the NMTC Program is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has: (i) finalized at least 50 percent of its QEIs relating to its CY 2012 NMTC allocation; or (ii) it has finalized at least 40 percent of its

QEI and that at least 60 percent of its total CY 2012 NMTC allocation has been finalized, or has been committed by its investors. A prior Rural CDE Allocatee in the CY 2012 is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee can demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has finalized at least 30 percent of its CY 2012 NMTC Allocation.

An Allocatee (with the exception of a Rural CDE Allocatee) in the CY 2013 allocation round of the NMTC Program is not eligible to receive a NMTC allocation pursuant to this NOAA unless the Allocatee is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has: (i) finalized at least 30 percent of its QEIs relating to its CY 2013 NMTC allocation; or (ii) finalized at least 20 percent of its QEIs and that at least 50 percent of its total CY 2013 NMTC allocation has been finalized, or has been committed by its investors. A Rural CDE is not required to meet the above QEI issuance and commitment thresholds with regard to its CY 2013 NMTC allocation award.

In addition to the requirements described above, an entity is not eligible to receive a NMTC allocation pursuant to this NOAA if an Affiliate of the Applicant is a prior Allocatee and has not met the requirements for the issuance and/or commitment of QEIs as set forth above for the Allocatees in the prior allocation rounds of the NMTC Program.

Notwithstanding the above, if an Applicant has received multiple NMTC allocation awards between CY 2009 and CY 2013, the Applicant shall be deemed to be eligible to apply for a NMTC allocation pursuant to this NOAA if the Applicant is able to affirmatively demonstrate that, as of 11:59 p.m. ET on January 30, 2015, it has finalized at least 90 percent of its QEIs relating to its cumulative allocation amounts from these

prior NMTC Program rounds. Rural CDEs that received allocations under the CY 2012 allocation round may choose to exclude such allocations from this cumulative calculation, provided that the Allocatee has finalized at least 20 percent of its QEIs relating to its CY 2012 allocation. Rural CDEs that received allocations under the CY 2013 allocation round may choose to exclude such allocation from this cumulative calculation.

For purposes of this section of the NOAA, the CDFI Fund will only recognize as “finalized” those QEIs that have been properly reported in the CDFI Fund’s Allocation Tracking System (ATS) by the deadlines specified above. Allocatees and their Subsidiary Allocatees, if any, are advised to access ATS to record each QEI that they issue to an investor in exchange for funds in-hand. For purposes of this section of the NOAA, “committed” QEIs are only those Equity Investments that are evidenced by a written, signed document in which an investor: (i) commits to make a QEI in the Allocatee in a specified amount and on specified terms; (ii) has made an initial disbursement of the investment proceeds to the Allocatee, and such initial disbursement has been recorded in ATS as a QEI; (iii) commits to disburse the remaining investment proceeds to the Allocatee based on specified amounts and payment dates; and (iv) commits to make the final disbursement to the Allocatee no later than January 30, 2017.

The Applicant will be required, upon notification from the CDFI Fund, to submit adequate documentation to substantiate the required issuances of and commitments for QEIs.

Applicants should be aware that these QEI issuance requirements represent the minimum threshold requirements that must be met in order to submit an application for

assistance under this NOAA. As stated in Section V.B.2 of this NOAA, the CDFI Fund reserves the right to reject an application and/or adjust award amounts as appropriate based on information obtained during the review process – including an Applicant’s track record of raising QEIs and/or deploying its Qualified Low Income Community Investments (QLICIs).

Prior Allocatees that require any action by the CDFI Fund (i.e., certifying a subsidiary entity as a CDE; adding a subsidiary CDE to an Allocation Agreement; etc.) in order to meet the QEI issuance requirements above must submit their Certification Application for subsidiary CDEs by no later than October 1, 2014 and Allocation Agreement Amendment requests by no later than November 1, 2014 in order to guarantee that the CDFI Fund completes all necessary approvals prior to January 30, 2015.

Applicants for certification may obtain a CDE certification application through the CDFI Fund’s website at <http://www.cdfifund.gov>. Applications for CDE certification must be submitted as instructed in the application form.

(b) Pending determination of noncompliance or default: If an Applicant is a prior awardee or Allocatee under any CDFI Fund program and if: (i) it has submitted reports to the CDFI Fund that demonstrate potential noncompliance with or default under a previous assistance, award or Allocation Agreement; and (ii) the CDFI Fund has yet to make a final determination as to whether the entity is in noncompliance or default of its previous assistance, award or Allocation Agreement, the CDFI Fund will consider the Applicant’s application under this NOAA pending final determination of whether the entity is in noncompliance or default, in the sole determination of the CDFI Fund.

Further, if an Affiliate of the Applicant is a prior CDFI Fund awardee or Allocatee and if

such entity: (i) has submitted reports to the CDFI Fund that demonstrate potential noncompliance with or default under a previous assistance, award or Allocation Agreement; and (ii) the CDFI Fund has yet to make a final determination as to whether the entity is in noncompliance or default of its previous assistance, award or Allocation Agreement, the CDFI Fund will consider the Applicant's application under this NOAA pending final determination of whether the entity is in noncompliance or default, in the sole determination of the CDFI Fund.

Notwithstanding the above, any Applicant or Affiliate that is in default under Section 3.2 of its previously executed Allocation Agreement is deemed ineligible under this NOAA if: (i) the CDFI Fund has made a determination that such Applicant is in default under Section 3.2 of a previously executed Allocation Agreement and (ii) the CDFI Fund has provided written notification of such determination to the Applicant. Moreover, any Applicant that is otherwise eligible as of the application deadline must continue to be compliant with Section 3.2 of its Allocation Agreement(s) after the application deadline, in order for the CDFI Fund to continue evaluating its application. If an Applicant fails to do such, the CDFI Fund will no longer deem the Applicant eligible.

(c) Default status: The CDFI Fund will not consider an application submitted by an Applicant that is a prior CDFI Fund awardee or Allocatee under any CDFI Fund program if, as of the application deadline of this NOAA: (i) the CDFI Fund has made a determination that such Applicant is in default of a previously executed assistance, allocation, or award agreement; (ii) the CDFI Fund has provided written notification of such determination to the Applicant; and (iii) the application deadline of the NOAA is within a period of time specified in a notification to the prior CDFI Fund awardee or

Allocatee for which any new application from the Applicant to the CDFI Fund for an award, allocation, or assistance is prohibited.

Further, the CDFI Fund will not consider an application submitted by an Applicant for which there is an Affiliate that is a prior awardee or Allocatee under any CDFI Fund Program if, as of the application deadline of this NOAA: (i) the CDFI Fund has made a determination that such Affiliate is in default of a previously executed assistance, allocation, or award agreement; (ii) the CDFI Fund has provided written notification of such determination to the Affiliate; and (iii) the application deadline of the NOAA is within a period of time specified in a notification to the prior CDFI Fund awardee or Allocatee for which any new application from the Affiliate to the CDFI Fund for an award, allocation, or assistance is prohibited.

(d) Undisbursed award funds: The CDFI Fund will not consider an application submitted by an Applicant that is a prior awardee under the CDFI Program (CDFI), Native Initiatives (NI), and Bank Enterprise Award (BEA) Program if the Applicant has a balance of undisbursed award funds (defined below) under said prior award(s), as of the applicable application deadline of this NOAA. Furthermore, an entity is not eligible to apply for an award pursuant to this NOAA if an Affiliate of the Applicant is a prior awardee under any CDFI Fund program, and has a balance of undisbursed award funds under said prior award(s), as of the applicable application deadline of this NOAA. In a case where an Affiliate of the Applicant is a prior awardee under any CDFI Fund program and has a balance of undisbursed award funds under said prior award(s) as of the applicable application deadline of this NOAA, the CDFI Fund will include the combined awards of the Applicant and such Affiliated entities when calculating the amount of

undisbursed award funds.

For purposes of the calculation of undisbursed award funds for the BEA Program, only awards made to the Applicant (and any Affiliates) three to five calendar years prior to the end of the calendar year of the application deadline of this NOAA are included (“includable BEA awards”). Thus, for purposes of this NOAA, undisbursed BEA Program award funds are the amount of FYs 2009, 2010, 2011 awards that remain undisbursed as of the application deadline of this NOAA.

For purposes of the calculation of undisbursed award funds for the CDFI Program and the NI, only awards made to the Applicant (and any entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant, as determined by the CDFI Fund) two to five calendar years prior to the end of the calendar year of the application deadline of this NOAA are included (“includable CDFI/NI awards”). Thus, for purposes of this NOAA, undisbursed CDFI Program and NI awards are the amount of FYs 2009, 2010, 2011 and 2012 awards that remain undisbursed as of the application deadline of this NOAA.

To calculate total includable BEA/CDFI/NI awards: amounts that are undisbursed as of the application deadline of this NOAA cannot exceed five percent (5%) of the total includable awards. Please refer to an example of this calculation in the Round Allocation Application Q&A document, available on the CDFI Fund’s website.

The “undisbursed award funds” calculation does not include: (i) NMTC allocation authority; (ii) any award funds for which the CDFI Fund received a full and complete disbursement request from the awardee by the applicable application deadline of this NOAA; (iii) any award funds for an award that has been terminated, in writing, by the

CDFI Fund or de-obligated by the CDFI Fund; or (iv) any award funds for an award that does not have a fully executed assistance or award agreement. The CDFI Fund strongly encourages Applicants requesting disbursements of “undisbursed funds” from prior awards to provide the CDFI Fund with a complete disbursement request at least 30 business days prior to the application deadline of this NOAA.

(e) Contact the CDFI Fund: Accordingly, Applicants that are prior awardees and/or Allocatees under any other CDFI Fund program are advised to: (i) comply with the requirements specified in assistance, allocation and/or award agreement(s), and (ii) contact the CDFI Fund as necessary to ensure that all required actions are underway for the disbursement of any outstanding balance of a prior award(s). All outstanding reports and compliance questions should be directed to the Office of Certification, Compliance Monitoring, and Evaluation by e-mail at ccme@cdfi.treas.gov or by telephone at (202) 653-0423. All disbursement questions related to the CDFI and NACA Programs should be directed to the CDFI Fund Help Desk by telephone (202) 653-0421 (Option 1 for CDFI Program, Option 2 for the NACA Program) or via email at cdfihelp@cdfi.treas.gov. All disbursement questions related to the BEA Program should be directed to David Fleites, Policy and Program Officer by telephone at (202) 653-0355 or via email at fleitesd@cdfi.treas.gov. Requests submitted less than thirty calendar days prior to the application deadline may not receive a response before the application deadline.

The CDFI Fund will respond to Applicants’ reporting, compliance or disbursement questions between the hours of 9:00 a.m. and 5:00 p.m. ET, starting the date of publication of this NOAA through September 29, 2014 (two days before the

application deadline). The CDFI Fund will not respond to Applicants' reporting, compliance, CDE certification, or disbursement phone calls or e-mail inquiries that are received after 5:00 p.m. ET on September 29, 2014 until after the funding application deadline of October 1, 2014.

3. Failure to accurately respond to a question in the Assurances and Certifications section of the application and submit the required written explanation: In its sole discretion, the CDFI Fund may deem the Applicant's application ineligible, if the CDFI Fund determines that the Applicant inaccurately responded to a question and failed to submit a required written explanation, or accurately answered a question yet failed to submit a required written explanation, with respect to the application Assurances and Certifications. In making this determination, the CDFI Fund will take into consideration, among other factors, the materiality of the question, the substance of any supplemental responses provided, and whether the information in the Applicant's supplemental responses will have a material adverse effect on the Applicant, its financial condition or its ability to perform under an allocation agreement, should the Applicant receive an allocation.

4. Entities that propose to transfer NMTCs to Subsidiaries: Both for-profit and non-profit CDEs may apply for NMTC allocation authority, but only a for-profit CDE is permitted to provide NMTCs to its investors. A non-profit Applicant wishing to apply for a NMTC allocation must demonstrate, prior to entering into an Allocation Agreement with the CDFI Fund, that: (i) it controls one or more Subsidiaries that are for-profit entities; and (ii) it intends to transfer the full amount of any NMTC allocation it receives to said Subsidiary.

An Applicant wishing to transfer all or a portion of its NMTC allocation to a Subsidiary is not required to create the Subsidiary prior to submitting a NMTC allocation application to the CDFI Fund. However, the Subsidiary entities must be certified as CDEs by the CDFI Fund, and enjoined as parties to the Allocation Agreement at closing or by amendment to the Allocation Agreement after closing. Before the NMTC allocation transfer may occur it must be pre-approved by the CDFI Fund, in its sole discretion.

The CDFI Fund strongly encourages a non-profit Applicant to submit a CDE certification application to the CDFI Fund on behalf of at least one Subsidiary within 60 days after the non-profit Applicant receives the Notice of Allocation (NOA) from the CDFI Fund, as such Subsidiary must be certified as a CDE prior to entering into an Allocation Agreement with the CDFI Fund. A non-profit Applicant that does not already have a certified for-profit Subsidiary and that fails to submit a certification application for one or more for-profit Subsidiaries within 60 days of the date of the NOA from the CDFI Fund is subject to the CDFI Fund rescinding the award.

5. Entities that submit applications together with Affiliates; applications from common enterprises: (a) As part of the allocation application review process, the CDFI Fund considers whether Applicants are Affiliates, as such term is defined in the allocation application. If an Applicant and its Affiliates wish to submit allocation applications, they must do so collectively, in one application; an Applicant and its Affiliates may not submit separate allocation applications. If Affiliated entities submit multiple applications, the CDFI Fund reserves the right either to reject all such applications received or to select a single application as the only application considered for an allocation. In the case of

governmental entities, the CDFI Fund may accept applications submitted by Affiliated entities, but only to the extent the CDFI Fund determines that the business strategies and/or activities described in such applications, submitted by separate entities, are distinctly dissimilar and are operated and/or managed by distinctly dissimilar boards and staff, including identified consultants. In such cases, the CDFI Fund reserves the right to limit award amounts to such entities to ensure that the entities do not collectively receive more than the \$125 million cap.

For purposes of this NOAA, in addition to assessing whether Applicants meet the definition of the term “Affiliate” found in the allocation application, the CDFI Fund will consider: (i) whether the activities described in applications submitted by separate entities are, or will be, operated and/or managed as a common enterprise that, in fact or effect, may be viewed as a single entity; (ii) whether the applications submitted by separate entities contain significant narrative, textual or other similarities, and (iii) whether the business strategies and/or activities described in applications submitted by separate entities are so closely related, in fact or effect, they may be viewed as substantially identical applications. In such cases, the CDFI Fund reserves the right either to reject all applications received from all such entities; to select a single application as the only one that will be considered for an allocation; and, in the event that an Application is selected to receive an allocation award, to deem certain activities ineligible. These requirements shall apply to all Applicants, including those that are Affiliated with governmental entities.

(b) Furthermore, an Applicant that receives an allocation in this Allocation Round (or its Subsidiary transferee) may not become an Affiliate of or member of a common enterprise

(as defined above) with another Applicant that receives an allocation in this Allocation Round (or its Subsidiary transferee) at any time after the submission of an allocation application under this NOAA. This prohibition, however, generally does not apply to entities that are commonly Controlled solely because of common ownership by QEI investors. This requirement will also be a term and condition of the Allocation Agreement (see Section VI.B of this NOAA and additional application guidance materials on the CDFI Fund's website at <http://www.cdfifund.gov> for more details).

6. Entities created as a series of funds: An Applicant whose business structure consists of an entity with a series of funds must apply for CDE certification for each fund. If such an Applicant represents that it is properly classified for Federal tax purposes as a single partnership or corporation, it may apply for CDE certification as a single entity. If an Applicant represents that it is properly classified for Federal tax purposes as multiple partnerships or corporations, then it must submit a CDE certification application for the Applicant and each fund it would like to participate in the NMTC Program, and each fund must be separately certified as a CDE. Applicants should note, however, that receipt of CDE certification as a single entity or as multiple entities is not a determination that an Applicant and its related funds are properly classified as a single entity or as multiple entities for Federal tax purposes. Regardless of whether the series of funds is classified as a single partnership or corporation or as multiple partnerships or corporations, an Applicant may not transfer any NMTC allocations it receives to one or more of its funds unless the fund is a certified CDE that is a Subsidiary of the Applicant, enjoined to the Allocation Agreement as a Subsidiary Allocatee.

7. Entities that are BEA Program awardees: An insured depository institution investor (and its Affiliates and Subsidiaries) may not receive a NMTC allocation in addition to a BEA Program award for the same investment in a CDE. Likewise, an insured depository institution investor (and its Affiliates and Subsidiaries) may not receive a BEA Program award in addition to a NMTC allocation for the same investment in a CDE.

IV. APPLICATION AND SUBMISSION INFORMATION

A. Address to request application package: Applicants must submit applications electronically under this NOAA, through the CDFI Fund website. Following the publication of this NOAA, the CDFI Fund will make the electronic allocation application available on its website at <http://www.cdfifund.gov>. Applications sent by mail, facsimile or other form will not be accepted. Please note the CDFI Fund will only accept the application and attachments (i.e., the Applicant's authorized representative signature page, the Controlling Entity's representative signature page, investor letters and organizational charts) in electronic form.

B. Application content requirements: Detailed application content requirements are found in the application related to this NOAA. Applicants must submit all materials described in and required by the application by the applicable deadlines. Applicants will not be afforded an opportunity to provide any missing materials or documentation, except if necessary and at the request of the CDFI Fund, to further explain the Assurances and Certifications section of the application. Electronic applications must be submitted solely by using the format made available at the CDFI Fund's website. Additional information, including instructions relating to the submission of supporting information (i.e., the Applicant's authorized representative signature page, the Controlling Entity's

representative signature page, investor letters and organizational charts), is set forth in further detail in the electronic application. An application must include a valid and current Employer Identification Number (EIN) issued by the Internal Revenue Service (IRS) and assigned to the Applicant and, if applicable, its Controlling Entity. Electronic applications without a valid EIN are incomplete and cannot be transmitted to the CDFI Fund. For more information on obtaining an EIN, please contact the IRS at (800) 829-4933 or www.irs.gov. Do not include any personal Social Security Numbers as part of the application.

An Applicant may not submit more than one application in response to this NOAA. In addition, as stated in Section III.A.4 of this NOAA, an Applicant and its Affiliates must collectively submit only one allocation application; an Applicant and its Affiliates may not submit separate allocation applications except as outlined above. Once an application is submitted, an Applicant will not be allowed to change any element of its application.

C. Form of application submission: Applicants may only submit applications under this NOAA electronically. Applications sent by facsimile or by e-mail will not be accepted. Submission of an electronic application will facilitate the processing and review of applications and the selection of Allocatees; further, it will assist the CDFI Fund in the implementation of electronic reporting requirements.

1. Electronic applications: Electronic applications must be submitted solely by using the CDFI Fund's website and must be sent in accordance with the submission instructions provided in the electronic application form. The CDFI Fund recommends use of Internet Explorer version 8 or higher on a Microsoft Windows-based computer (Windows Vista

or higher), and optimally at least a 56Kbps Internet connection in order to meet the electronic application submission requirements. Use of other browsers (i.e., Firefox, Chrome, Safari), other versions of Internet Explorer, or other systems (i.e., Mac) might result in problems during submission of the application. The CDFI Fund's electronic application system will only permit the submission of applications in which all required questions and tables are fully completed. Additional information, including instructions relating to the submission of supporting information (i.e., the Applicant's authorized representative signature page, the Controlling Entity's representative signature page, investor letters and organizational charts) is set forth in further detail in the electronic application and the Online Application Instructions for this Round.

D. Application submission dates and times:

1. Application deadlines:

(a) Electronic applications: must be received by 5:00 p.m. ET on October 1, 2014.

Electronic applications cannot be transmitted or received after 5:00 p.m. ET on October 1, 2014. In addition, Applicants must separately submit supporting information (i.e., the Applicant's authorized representative signature page, the Controlling Entity's representative signature page, investor letters and organizational charts) via their myCDFIFund account. The Applicant's authorized representative signature page, the Controlling Entity's representative signature page, investor letters and organizational charts must be submitted on or before 11:59 PM on October 3, 2014. Attachments may not exceed a size limit of 5 megabytes (MB). See application instructions, provided in the electronic application and the Round Allocation Application Q&A, for further detail. Applications and other required documents received after this date and time will be

rejected. If the Applicant's authorized representative signature page is not received by the deadline specified above, the CDFI Fund reserves the right to reject the application. Please note that the document submission deadlines in this NOAA and/or the allocation application are strictly enforced.

(b) Postmark: For purposes of this NOAA, the term "Postmark" is defined by 26 CFR 301.7502-1. In general, the CDFI Fund will require that the Postmarked document bears a Postmark date that is on or before the applicable deadline. The document must be in an envelope or other appropriate wrapper, properly addressed as set forth in this NOAA and delivered by the United States Postal Service or any other private delivery service designated by the Secretary of the Treasury. For more information on designated delivery services, please see IRS Notice 2002-62, 2002-2 C.B. 574.

E. Intergovernmental Review: Not applicable.

F. Funding Restrictions: For allowable uses of investment proceeds related to a NMTC allocation, please see 26 U.S.C. 45D and the final regulations issued by the Internal Revenue Service (26 CFR 1.45D-1, published December 28, 2004) and related guidance. Please see Section I, above, for the Programmatic Changes of this NOAA.

G. Paperwork Reduction: Under the Paperwork Reduction Act (44 U.S.C. chapter 35), an agency may not conduct or sponsor a collection of information, and an individual is not required to respond to a collection of information, unless it displays a valid OMB control number. Pursuant to the Paperwork Reduction Act, the application has been assigned the following control number: 1559-0016.

V. APPLICATION REVIEW INFORMATION

There are two parts to the substantive review process for each allocation

application: Phase 1 and Phase 2. In Phase 1, the CDFI Fund will evaluate each application, assigning points and numeric scores according to the criteria described below. In Phase 2, the CDFI Fund will rank Applicants in accordance with the procedures set forth below.

A. Criteria:

1. Business Strategy (25-point maximum): (a) When assessing an Applicant's business strategy, reviewers will consider, among other things: the Applicant's products, services and investment criteria; the prior performance of the Applicant or its Controlling Entity, particularly as it relates to making similar kinds of investments as those it proposes to make with the proceeds of QEIs; the Applicant's prior performance in providing capital or technical assistance to disadvantaged businesses or communities; the projected level of the Applicant's pipeline of potential investments; the extent to which the Applicant intends to make QLICs in one or more businesses in which persons unrelated to the entity hold a majority equity interest; how NMTCs will enable the Applicant to create additional value to its financing activities in Low-Income Communities; and the extent to which Applicants that otherwise have notable relationships with the Qualified Active Low Income Community Businesses (QALICBs) financed will create benefits (beyond those created in the normal course of a NMTC transaction) to Low-Income Communities.

Under the Business Strategy criterion, an Applicant will generally score well to the extent that it will deploy debt or investment capital in products or services which are flexible or non-traditional in form and on better terms than available in the marketplace. An Applicant will also score well to the extent that, among other things, it: (i) has a track record of successfully deploying products and services similar to those it intends to

provide with the proceeds of QEIs; (ii) has identified, or has a process for identifying, potential transactions; (iii) demonstrates a likelihood of issuing QEIs and making the related QLICIs in a time period that is significantly shorter than the 5-year period permitted under IRC § 45D(b)(1); (iv) in the case of an Applicant proposing to purchase loans from CDEs, the Applicant will require the CDE selling such loans to re-invest the proceeds of the loan sale to provide additional products and services to Low-Income Communities.

(b) Priority Points: In addition, as provided by IRC § 45D(f)(2), the CDFI Fund will ascribe additional points to entities that meet one or both of the statutory priorities. First, the CDFI Fund will give up to five (5) additional points to any Applicant that has a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities. Second, the CDFI Fund will give five (5) additional points to any Applicant that intends to satisfy the requirement of IRC § 45D(b)(1)(B) by making QLICIs in one or more businesses in which persons unrelated (within the meaning of IRC § 267(b) or IRC § 707(b)(1)) to an Applicant (or the Applicant's subsidiary CDEs) hold the majority equity interest. Applicants may earn points for one or both statutory priorities. Thus, Applicants that meet the requirements of both priority categories can receive up to a total of ten (10) additional points. A record of having successfully provided capital or technical assistance to disadvantaged businesses or communities may be demonstrated either by the past actions of an Applicant itself or by its Controlling Entity (i.e., where a new CDE is established by a nonprofit corporation with a history of providing assistance to disadvantaged communities). An Applicant that receives additional points for intending to make investments in unrelated businesses and is

awarded a NMTC allocation must meet the requirements of IRC § 45D(b)(1)(B) by investing substantially all of the proceeds from its QEIs in unrelated businesses. The CDFI Fund will factor in an Applicant's priority points when ranking Applicants during Phase 2 of the review process, as described below.

2. Community Outcomes (25-point maximum): In assessing the potential benefits to Low-Income Communities that may result from the Applicant's proposed investments, reviewers will consider, among other things, the degree to which the Applicant is likely to: (i) achieve significant and measurable community development outcomes in its Low-Income Communities; (ii) invest in particularly economically distressed markets; (iii) engage with local communities regarding investments; and (iv) demonstrate a track record of investing in businesses that spur additional private capital investment in Low-Income Communities. An Applicant will generally score well under this section to the extent that: (a) it articulates how its strategy is likely to produce significant and measurable community development outcomes that would not be achieved without NMTCs; (b) it is working in particularly economically distressed or otherwise underserved communities; (c) its activities are part of a broader neighborhood revitalization strategy; (d) it ensures that an investment into a project or business is supported by and will be beneficial to the surrounding community; and (e) it is likely to engage in activities that will spur additional private capital investment.

3. Management Capacity (not scored in Phase 1): In assessing an Applicant's management capacity, CDFI Fund evaluators will consider, among other things, the qualifications of the Applicant's principals, its board members, its management team, and other essential staff or contractors, with specific focus on: experience in deploying capital

or technical assistance, including activities similar to those described in the Applicant's business strategy; asset management and risk management experience; experience with fulfilling compliance requirements of other governmental programs, including other tax programs; and the Applicant's (or its Controlling Entity's) financial health. CDFI Fund evaluators will also consider the extent to which an Applicant has protocols in place to ensure ongoing compliance with NMTC Program requirements and the level of involvement of community representatives in the Governing Board and/or Advisory Board in approving investment criteria or decisions.

An Applicant will be generally evaluated more favorably under this section to the extent that its management team or other essential personnel have experience in: (a) deploying capital or technical assistance in Low-Income Communities, particularly those likely to be served by the Applicant with the proceeds of QEIs; (b) asset and risk management; and (c) fulfilling government compliance requirements, particularly tax credit program compliance. An Applicant will also be evaluated favorably to the extent it demonstrates strong financial health and a high likelihood of remaining a going-concern; has policies and systems in place to ensure ongoing compliance with NMTC Program requirements; has Low-Income Community representatives in the Governing Board and/or Advisory Board that play an active role in designing or implementing its investment criteria and/or decisions; and, if it is a Federally-insured financial institution, its most recent Community Reinvestment Act (CRA) rating was "outstanding."

4. Capitalization Strategy (Not scored in Phase 1): When assessing an Applicant's capitalization strategy, CDFI Fund evaluators will consider, among other things: the key personnel of the Applicant (or Controlling Entity) and their track record of raising capital,

particularly from for-profit investors; if a prior Allocatee, the track record of the Applicant or Controlling Entity in raising Qualified Equity Investments in the past five years, or if an Applicant or Controlling Entity have not raised Qualified Equity Investments in the past five years, the extent to which the Applicant has secured investments or commitments to invest in NMTC, or indications of investor interest commensurate with its requested amount of tax credit allocations; the Applicant's strategy for identifying additional investors, if necessary, including the Applicant's (or its Controlling Entity's) prior performance with raising equity from investors, particularly for-profit investors; the distribution of the economic benefits of the tax credit; the extent to which the Applicant intends to invest the proceeds from the aggregate amount of its QEIs at a level that exceeds the requirements of IRC § 45D(b)(1)(B) and the IRS regulations; the likelihood the Applicant will raise sufficient capital to finance its cost of operations; and the Applicant's timeline for utilizing an NMTC allocation.

An Applicant be evaluated more favorably under this section to the extent that: (a) it or its Controlling Entity is a prior Allocatee and has a superior track record in the past five years of raising Qualified Equity Investments or it has secured investor commitments, or has a reasonable strategy for obtaining such commitments; (b) its request for allocations is commensurate with both the level of QEIs it is likely to raise and its expected investment strategy to deploy funds raised with NMTCs; (c) it generally demonstrates that the economic benefits of the tax credit will be passed through to a QALICB; (d) it is likely to secure capital to finance its cost of operations consistent with the Applicant's overall business strategy and timeline for making investments; and (e) it intends to invest the proceeds from the aggregate amount of its QEIs at a level that

exceeds the requirements of IRC § 45D(b)(1)(B) and the IRS regulations. In the case of an Applicant proposing to raise investor funds from organizations that also will identify or originate transactions for the Applicant or from Affiliated entities, said Applicant will be evaluated more favorably to the extent that it will offer products with more favorable rates or terms than those currently offered by its investor(s) or Affiliated entities and/or will target its activities to areas of greater economic distress than those currently targeted by the investor or Affiliated entities.

B. Review and selection process: All allocation applications will be reviewed for eligibility and completeness. The CDFI Fund may consult with the IRS on the eligibility requirements under IRC § 45D. To be complete, the application must contain, at a minimum, all information described as required in the application form. An incomplete application will be rejected. Once the application has been determined to be eligible and complete, the CDFI Fund will conduct the substantive review of each application in two parts (Phase 1 and Phase 2) in accordance with the criteria and procedures generally described in this NOAA and the allocation application.

1. Phase 1: Reviewers will evaluate and score the Business Strategy and Community Outcomes sections of each application in the first part of the review process. An Applicant must exceed a minimum overall aggregate base score threshold and exceed a minimum aggregate section score threshold in each scored section in order to advance from the first part of the substantive review process. If, in the case of a particular application, a reviewer's total base score or section score(s) (in one or more of the two application scored sections) varies significantly from other reviewers' total base scores or section scores for such application, the CDFI Fund may, in its sole discretion, obtain the

comments and recommendations of an additional reviewer to determine whether the anomalous score should be replaced with the score of the additional reviewer.

2. Phase 2: Once the CDFI Fund has determined which Applicants have met the required minimum overall aggregate base score and aggregate section score thresholds, the CDFI Fund will rank Applicants on the basis of their combined scores in the Business Strategy and Community Outcomes sections of the application plus one half the priority points. The CDFI Fund will award allocations in the order of this “Final Rank Score,” subject to Applicants’ meeting all other eligibility requirements; provided, however, that the CDFI Fund, in its sole discretion, reserves the right to reject an application and/or adjust award amounts as appropriate based on information obtained during the review process. Most notably, in the cases of Applicants (or their Affiliates) that are prior year Allocatees, the CDFI Fund will review the activities of the prior year Allocatee to determine whether the entity has: (a) effectively utilized its prior-year allocations; and (b) substantiated a need for additional allocation authority.

3. Late Reports: In the case of an Applicant or any Affiliates that has previously received an award or allocation from the CDFI Fund through any CDFI Fund program, the CDFI Fund will deduct points for the Applicant’s (or its Affiliate’s) failure to meet any of the reporting deadlines set forth in any assistance, award or Allocation Agreement(s), if the reporting deadlines occurred during the period from September 18, 2013 to the application deadline in this NOAA (October 1, 2014).

C. Allocations serving Non-Metropolitan counties: As provided for under Section 102(b) of the Tax Relief and Health Care Act of 2006 (P. L. 109-432), the CDFI Fund shall ensure that non-metropolitan counties receive a proportional allocation of QEIs

under the NMTC Program. To this end, the CDFI Fund will ensure that the proportion of Allocatees that are Rural CDEs is, at a minimum, equal to the proportion of Applicants in the Phase 2 review pool that are Rural CDEs. The CDFI Fund will also endeavor to ensure that 20 percent of the QLICIs to be made using QEI proceeds are invested in Non-Metropolitan counties. A Rural CDE is one that has a track record of at least three years of direct financing experience, has dedicated at least 50 percent of its direct financing dollars to Non-Metropolitan counties over the past five years, and has committed that at least 50 percent of its NMTC financing dollars with this Allocation will be deployed in such areas. Non-Metropolitan counties are counties not contained within a Metropolitan Statistical Area, as such term is defined in OMB Bulletin No. 10-02 (Update of Statistical Area Definitions and Guidance on Their Uses) and applied using 2010 census tracts.

Applicants that meet the minimum scoring thresholds will be advanced to Phase 2 review and will be provided with “preliminary” awards, in descending order of Final Rank Score, until the available allocation authority is fulfilled. Once these “preliminary” award amounts are determined, the CDFI Fund will then analyze the Allocatee pool to determine whether the two Non-Metropolitan proportionality objectives have been met.

The CDFI Fund will first examine the “preliminary” awards and Allocatees to determine whether the percentage of Allocatees that are Rural CDEs is, at a minimum, equal to the percentage of Applicants in the Phase 2 review pool that are Rural CDEs. If this objective is not achieved, the CDFI Fund will provide awards to additional Rural CDEs from the Phase 2 pool, in descending order of their Final Rank Score, until the appropriate percentage balance is achieved. In order to accommodate the additional

Allocatees within the available allocation limitations, a formula reduction will be applied uniformly to the allocation amount for all Allocatees in the pool.

The CDFI Fund will then determine whether the pool of Allocatees will, in the aggregate, invest at least 20 percent of their QLICIs (as measured by dollar amount) in Non-Metropolitan counties. The CDFI Fund will first apply the “minimum” percentage of QLICIs that Allocatees indicated in their applications would be targeted to Non-Metropolitan areas to the total allocation award amount of each Allocatee (less whatever percentage the Allocatee indicated would be retained for non-QLICI activities), and total these figures for all Allocatees. If this aggregate total is greater than or equal to 20 percent of the QLICIs to be made by the Allocatees, then the pool is considered balanced and the CDFI Fund will proceed with the allocation process. However, if the aggregate total is less than 20 percent of the QLICIs to be made by the Allocatees, the CDFI Fund will consider requiring any or all of the Allocatees to direct up to the “maximum” percentage of QLICIs that the Allocatees indicated would be targeted to Non-Metropolitan counties, taking into consideration their track record and ability to deploy dollars in Non-Metropolitan counties. If the CDFI Fund cannot meet the goal of 20 percent of QLICIs in Non-Metropolitan counties by requiring any or all Allocatees to commit up to the maximum percentage of QLICIs that they indicated would be targeted to Non-Metropolitan counties, the CDFI Fund may add additional Rural CDEs (in descending order of final rank score) to the Allocatee pool. In order to accommodate any additional Allocatees within the allocation limitations, a formula reduction will be applied as uniformly as possible, to the allocation amount for all Allocatees in the pool

that have not committed to investing a minimum of 20 percent of their QLICs in Non-Metropolitan counties.

D. Questions: All outstanding reports or compliance questions should be directed to the Office of Certification, Compliance Monitoring, and Evaluation by e-mail at ccme@cdfi.treas.gov or by telephone at (202) 653-0423. The CDFI Fund will respond to reporting or compliance questions between the hours of 9:00 a.m. and 5:00 p.m. ET, starting the date of the publication of this NOAA through September 29, 2014. The CDFI Fund will not respond to reporting or compliance phone calls or e-mail inquiries that are received after 5:00 p.m. ET on September 29, 2014 until after the funding application deadline of October 1, 2014.

E. Right of rejection: The CDFI Fund reserves the right to reject any NMTC allocation application in the case of a prior CDFI Fund awardee, if such Applicant has failed to comply with the terms, conditions, and other requirements of the prior or existing assistance or award agreement(s) with the CDFI Fund. The CDFI Fund reserves the right to reject any NMTC allocation application in the case of a prior CDFI Fund Allocatee, if such Applicant has failed to comply with the terms, conditions, and other requirements of its prior or existing Allocation Agreement(s) with the CDFI Fund. The CDFI Fund reserves the right to reject any NMTC allocation application in the case of any Applicant, if an Affiliate of the Applicant has failed to meet the terms, conditions and other requirements of any prior or existing assistance agreement, award agreement or Allocation Agreement with the CDFI Fund.

The CDFI Fund reserves the right to reject any NMTC allocation application in the case of a prior CDFI Fund Allocatee, if such Applicant has failed to use its prior

NMTC allocation(s) in a manner that is generally consistent with the business strategy (including, but not limited to, the proposed product offerings, QALICB type, and markets served) set forth in the allocation application(s) related to such prior allocation(s). The CDFI Fund also reserves the right to reject any NMTC allocation application in the case of an Affiliate of the Applicant that is a prior CDFI Fund Allocatee and has failed to use its prior NMTC allocation(s) in a manner that is generally consistent with the business strategy set forth in the allocation application(s) related to such prior allocation(s).

The CDFI Fund reserves the right to reject an NMTC allocation application if information (including administrative errors or omission of information) comes to the attention of the CDFI Fund that adversely affects an Applicant's eligibility for an award, adversely affects the CDFI Fund's evaluation or scoring of an application, adversely affects the CDFI Fund's prior determinations of CDE certification, or indicates fraud or mismanagement on the part of an Applicant or the Controlling Entity, if such fraud or mismanagement by the Controlling Entity would hinder the Applicant's ability to perform under the Allocation Agreement. If the CDFI Fund determines that any portion of the application is incorrect in any material respect, the CDFI Fund reserves the right, in its sole discretion, to reject the application.

As a part of the substantive review process, the CDFI Fund may permit the Allocation Recommendation Panel member(s) to request information from Applicants for the sole purpose of obtaining, clarifying or confirming application information or omission of information. In no event shall such contact be construed to permit an Applicant to change any element of its application. At this point in the process, an Applicant may be required to submit additional information about its application in order

to assist the CDFI Fund with its final evaluation process. Such requests must be responded to within the time parameters set by the CDFI Fund. The selecting official(s) will make a final allocation determination based on an Applicant's file, including, without limitation, eligibility under IRC § 45D, the reviewers' scores and the amount of allocation authority available. In the case of Applicants (or the Controlling Entity, or Affiliates) that are regulated or receives oversight by the Federal government or a State agency (or comparable entity), the CDFI Fund may request additional information from the Applicant regarding Assurances and Certifications or other information about the ability of the Applicant to effectively perform under the Allocation Agreement. The Allocation Recommendation Panel or selecting official(s) reserve(s) the right to consult with and take into consideration the views of the appropriate Federal or State banking and other regulatory agencies. The CDFI Fund reserves the right to reject any NMTC Allocation Application if additional information is obtained that, after further due diligence and in the discretion of the CDFI Fund, would hinder the Applicant's ability to effectively perform under the Allocation Agreement. In the case of Applicants (or Affiliates of Applicants) that are also Small Business Investment Companies, Specialized Small Business Investment Companies or New Markets Venture Capital Companies, the CDFI Fund reserves the right to consult with and take into consideration the views of the Small Business Administration.

The CDFI Fund reserves the right to conduct additional due diligence, as determined reasonable and appropriate by the CDFI Fund, in its sole discretion, related to the Applicant, Affiliates, the Applicant's Controlling Entity and the officers, directors, owners, partners and key employees of each.

Each Applicant will be informed of the CDFI Fund's award decision through an electronic notification whether selected for an allocation or not selected for an allocation, which may be for reasons of application incompleteness, ineligibility or substantive issues. All Applicants that are not selected for an allocation based on substantive issues will likely be given the opportunity to obtain feedback on their applications. This feedback will be provided in a format and within a timeframe to be determined by the CDFI Fund, based on available resources.

The CDFI Fund further reserves the right to change its eligibility and evaluation criteria and procedures, if the CDFI Fund deems it appropriate. If said changes materially affect the CDFI Fund's award decisions, the CDFI Fund will provide information regarding the changes through the CDFI Fund's website.

There is no right to appeal the CDFI Fund's NMTC allocation decisions. The CDFI Fund's NMTC allocation decisions are final.

VI. AWARD ADMINISTRATION INFORMATION

A. Allocation Award Compliance

1. Failure to meet reporting requirements: If an Allocatee, or an Affiliate of an Allocatee, is a prior CDFI Fund awardee or Allocatee under any CDFI Fund program and is not current on the reporting requirements set forth in the previously executed assistance, allocation, or award agreement(s), as of the date of the NOA or thereafter, the CDFI Fund reserves the right, in its sole discretion, to reject the application, delay entering into an Allocation Agreement, and/or impose limitations on an Allocatee's ability to issue QEIs to investors until said prior awardee or Allocatee is current on the reporting requirements in the previously executed assistance, allocation, or award

agreement(s). Please note that the automated systems the CDFI Fund uses for receipt of reports submitted electronically typically acknowledges only a report's receipt; such an acknowledgment does not warrant that the report received was complete and therefore met reporting requirements. If said prior awardee or Allocatee is unable to meet this requirement within the timeframe set by the CDFI Fund, the CDFI Fund reserves the right, in its sole discretion, to terminate and rescind the allocation made under this NOAA.

2. Pending determination of noncompliance or default: If an Allocatee is a prior awardee or Allocatee under any CDFI Fund program and if: (i) it has submitted reports to the CDFI Fund that demonstrate potential noncompliance with or a default under a previous assistance, award, or Allocation Agreement; and (ii) the CDFI Fund has yet to make a final determination as to whether the entity is in noncompliance with or default under its previous assistance, award, or Allocation Agreement, the CDFI Fund reserves the right, in its sole discretion, to delay entering into an Allocation Agreement and/or to impose limitations on the Allocatee's ability to issue Qualified Equity Investments to investors, pending final determination of whether the entity is in noncompliance or default, and determination of remedies, if applicable, in the sole determination of the CDFI Fund.

Further, if an Affiliate of an Allocatee is a prior CDFI Fund awardee or Allocatee and if such entity: (i) has submitted reports to the CDFI Fund that demonstrate potential noncompliance/default under a previous assistance, award, or Allocation Agreement; and (ii) the CDFI Fund has yet to make a final determination as to whether the entity is in noncompliance/default under its previous assistance, award, or Allocation Agreement, the CDFI Fund reserves the right, in its sole discretion, to delay entering into an Allocation

Agreement and/or to impose limitations on the Allocatee's ability to issue QEIs to investors, pending final determination of whether the entity is in noncompliance or default, and determination of remedies, if applicable, in the sole determination of the CDFI Fund. If the prior awardee or Allocatee in question is unable to satisfactorily resolve the issues of noncompliance, in the sole determination of the CDFI Fund, the CDFI Fund reserves the right, in its sole discretion, to terminate and rescind the award notification made under this NOAA.

3. Default status: If prior to entering into an Allocation Agreement through this NOAA: (i) the CDFI Fund has made a determination that an Allocatee that is a prior CDFI Fund awardee or Allocatee under any CDFI Fund program is in default of a previously executed assistance, allocation, or assistance agreement(s); (ii) the CDFI Fund has provided written notification of such determination to such organization; and (iii) the anticipated date for entering into an Allocation Agreement is within a period of time specified in such notification throughout which any new award, allocation, or assistance is prohibited, the CDFI Fund reserves the right, in its sole discretion, to delay entering into an Allocation Agreement and/or to impose limitations on the Allocatee's ability to issue QEIs to investors, or to terminate and rescind the Notice of Allocation and the allocation made under this NOAA. Furthermore, if prior to entering into an Allocation Agreement through this NOAA: (i) the CDFI Fund has made a determination that an Affiliate of the Allocatee that is a prior CDFI Fund awardee or Allocatee under any CDFI Fund program is in default of a previously executed assistance, allocation, or award agreement(s) (ii) the CDFI Fund has provided written notification of such determination to such organization; and (iii) the anticipated date for entering into an Allocation

Agreement is within a period of time specified in such notification throughout which any new award, allocation, or assistance is prohibited, the CDFI Fund reserves the right, in its sole discretion, to delay entering into an Allocation Agreement and/or to impose limitations on the Allocatee's ability to issue QEIs to investors, or to terminate and rescind the Notice of Allocation and the allocation made under this NOAA.

B. Allocation Agreement: Each Applicant that is selected to receive a NMTC allocation (including the Applicant's Subsidiary transferees) must enter into an Allocation Agreement with the CDFI Fund. The Allocation Agreement will set forth certain required terms and conditions of the NMTC allocation which may include, but are not limited to, the following: (i) the amount of the awarded NMTC allocation; (ii) the approved uses of the awarded NMTC allocation (i.e., loans to or equity investments in Qualified Active Low-Income Businesses or loans to or equity investments in other CDEs); (iii) the approved service area(s) in which the proceeds of QEIs may be used, including the dollar amount of QLICIs that must be invested in Non-Metropolitan counties; (iv) the time period by which the Applicant may obtain QEIs from investors; (v) reporting requirements for all Applicants receiving NMTC allocations; and (vi) a requirement to maintain certification as a CDE throughout the term of the Allocation Agreement. If an Applicant has represented in its NMTC allocation application that it intends to invest substantially all of the proceeds from its investors in businesses in which persons unrelated to the Applicant hold a majority equity interest, the Allocation Agreement will contain a covenant whereby said Applicant agrees that it will invest substantially all of said proceeds in businesses in which persons unrelated to the Applicant hold a majority equity interest.

In addition to entering into an Allocation Agreement, each Applicant selected to receive a NMTC allocation must furnish to the CDFI Fund an opinion from its legal counsel or a similar certification, the content of which will be further specified in the Allocation Agreement, to include, among other matters, an opinion that an Applicant (and its Subsidiary transferees, if any): (i) is duly formed and in good standing in the jurisdiction in which it was formed and the jurisdiction(s) in which it operates; (ii) has the authority to enter into the Allocation Agreement and undertake the activities that are specified therein; (iii) has no pending or threatened litigation that would materially affect its ability to enter into and carry out the activities specified in the Allocation Agreement; and (iv) is not in default of its articles of incorporation, bylaws or other organizational documents, or any agreements with the Federal government.

If an Allocatee identifies Subsidiary transferees, the CDFI Fund reserves the right to require an Allocatee to provide supporting documentation evidencing that it Controls such entities prior to entering into an Allocation Agreement with the Allocatee and its Subsidiary transferees. The CDFI Fund reserves the right, in its sole discretion, to rescind its allocation award if the Allocatee fails to return the Allocation Agreement, signed by the authorized representative of the Allocatee, and/or provide the CDFI Fund with any other requested documentation, including an approved legal opinion, within the deadlines set by the CDFI Fund.

C. Fees: The CDFI Fund reserves the right, in accordance with applicable Federal law and if authorized, to charge allocation reservation and/or compliance monitoring fees to all entities receiving NMTC allocations. Prior to imposing any such fee, the CDFI Fund will publish additional information concerning the nature and amount of the fee.

D. Reporting: The CDFI Fund will collect information, on at least an annual basis from all Applicants that are awarded NMTC allocations and/or are recipients of QLICs, including such audited financial statements and opinions of counsel as the CDFI Fund deems necessary or desirable, in its sole discretion. The CDFI Fund will require the Applicant to retain information as the CDFI Fund deems necessary or desirable and shall provide such information to the CDFI Fund when requested to monitor each Allocatee's compliance with the provisions of its Allocation Agreement and to assess the impact of the NMTC Program in Low-Income Communities. The CDFI Fund may also provide such information to the IRS in a manner consistent with IRC § 6103 so that the IRS may determine, among other things, whether the Allocatee has used substantially all of the proceeds of each QEI raised through its NMTC allocation to make QLICs. The Allocation Agreement shall further describe the Allocatee's reporting requirements.

The CDFI Fund reserves the right, in its sole discretion, to modify these reporting requirements if it determines it to be appropriate and necessary; however, such reporting requirements will be modified only after due notice to Allocatees.

VII. AGENCY CONTACTS

The CDFI Fund will provide programmatic and information technology support related to the allocation application between the hours of 9:00 a.m. and 5:00 p.m. ET through September 29, 2014. The CDFI Fund will not respond to phone calls or e-mails concerning the application that are received after 5:00 p.m. ET on September 29, 2014 until after the allocation application deadline of October 1, 2014. Applications and other information regarding the CDFI Fund and its programs may be obtained from the CDFI

Fund's website at <http://www.cdfifund.gov>. The CDFI Fund will post on its website responses to questions of general applicability regarding the NMTC Program.

A. Information technology support: Technical support can be obtained by calling (202) 653-0422 or by e-mail at ithelpdesk@cdfi.treas.gov. People who have visual or mobility impairments that prevent them from accessing the Low-Income Community maps using the CDFI Fund's website should call (202) 653-0422 for assistance. These are not toll free numbers.

B. Programmatic support: If you have any questions about the programmatic requirements of this NOAA, contact the CDFI Fund's NMTC Program Manager by e-mail at cdfihelp@cdfi.treas.gov; or by telephone at (202) 653-0421. These are not toll-free numbers.

C. Administrative support: If you have any questions regarding the administrative requirements of this NOAA, contact the CDFI Fund's NMTC Program Manager by e-mail at cdfihelp@cdfi.treas.gov, by telephone at (202) 653-0421. These are not toll free numbers.

D. IRS support: For questions regarding the tax aspects of the NMTC Program, contact Jian Grant, Office of the Associate Chief Counsel (Passthroughs and Special Industries), IRS, by telephone at (202) 317-4137, by facsimile at (202) 317-6731. These are not toll free numbers. Applicants wishing formal ruling request should see IRS Internal Revenue Bulletin 1401-1, issued January 2, 2014.

VIII. INFORMATION SESSIONS

In connection with this NOAA, the CDFI Fund may conduct one or more information sessions that will be produced in Washington, DC and broadcast over the

internet via webcasting as well as telephone conference calls. For further information on these upcoming information sessions, please visit the CDFI Fund's website at

<http://www.cdfifund.gov>.

AUTHORITY: 26 U.S.C. 45D; 31 U.S.C. 321; 26 CFR 1.45D-1.

Dated:

Dennis Nolan,

Deputy Director, Community Development Financial Institutions Fund.