

NMTC Allocation Agreement Amendments: Prioritizing Requests

November 15, 2005

Background:

The purpose of this document is to clarify the priority order in which the Community Development Financial Institutions Fund (the Fund) will review Community Development Entity (CDE) certification applications and requests for amendments to Allocation Agreements that are made by CDEs that have received an allocation of New Markets Tax Credits (NMTCs) from the Fund.

Priority Classifications:

Priority 1: *CDEs that received NMTC allocations under the first round (2001-2002) or second round (2003-2004) of the NMTC Program and have applied for (or whose Affiliates have applied for) an allocation of tax credits under the 2006 NMTC allocation round.*

- These CDEs have first priority because they are required to meet, by December 31, 2005, certain Qualified Equity Investment (QEI) issuance requirements pertaining to their previous awards in order to be eligible for consideration under the 2006 NMTC allocation round.
- Pursuant to the 2006 round Notice of Allocation Availability (NOAA), these CDEs were required to submit their amendment and related requests (e.g., requests to certify additional CDEs so that they may be added to the Allocation Agreements) by October 14, 2005.
 - If a CDE failed to meet this requirement, its amendment request will be classified as a “Priority 3” review (see below), but, in accordance with the NOAA, will not be reviewed until after December 31, 2005.
 - Exception to the above: The Fund will process amendment requests prior to December 31, 2005 solely for (1) CDEs whose subsidiary entities were certified as CDEs as of October 14, 2005, and (2) CDEs whose subsidiary entity CDE certification applications were received by the Fund by October 14, 2005; **provided that such amendment requests are received by the Fund by December 1, 2005.**

Priority 2: *CDEs that received NMTC allocations under the third round (2005) of the NMTC Program and have applied for (or whose Affiliates have applied for) an allocation of tax credits under the 2006 NMTC allocation round.*

- These CDEs have next highest priority because they are required to meet, by February 15, 2006, certain Qualified Equity Investment (QEI) issuance requirements pertaining to their 2005 round awards in order to be eligible for consideration under the 2006 NMTC allocation round.
- Because third round allocatees did not receive their allocation agreements until late October, the provisions of the 2006 NOAA requiring amendment requests be submitted by October 14, 2005 do not apply to these organizations.
- To the extent that 2005 round allocatees would like to include subsidiary entities in their allocation agreements prior to February 15, 2006, and such entities have not yet been certified as CDEs, **the certification application for the subsidiary entities must be received by December 15, 2005.**
- If a 2005 round allocatee fails to meet this deadline, the Fund cannot ensure that the allocatee's subsidiary entities will be included in its Allocation Agreement prior to February 15, 2006.

Priority 3: *All other CDEs requestors.*

- The Fund will continue to process requests for all other CDEs seeking to have CDEs certified and to amend their allocation agreements in the order in which they are received.
- For CDEs seeking to add subsidiary entities to their allocation agreements in time to close QEIs prior to December 31, 2005:
 - The Fund does not guarantee that any amendment request submitted by CDEs in this third priority group will be processed prior to December 31, 2005.
 - Generally, any CDE seeking an allocation agreement amendment to add subsidiary entities for which a CDE certification application has not yet been received by the Fund (as of the date of this publication) is not likely to have its allocation agreement amended prior to December 31, 2005.

Where to Submit Requests:

1. **Amendment Requests** must be submitted to Denise Polk, the Fund's Grants Manager. They can be submitted by email to grantsmanagement@cdfi.treas.gov, with the subject line: "NTMC Allocation Agreement Amendment Request." Or they can be submitted by mail to:

Grants Manager
CDFI Fund
601 13th Street NW
Suite 200 South
Washington, DC 20005

2. **CDE Certification Requests** must be submitted in accordance with the instructions provide for in the CDE Certification application. As specified in the application materials, the application must be mailed to the Bureau of Public Debt (which has been contracted by the Fund to intake applications) at the following address:

Bureau of the Public Debt
200 Third Street
Parkersburg, WV 26101-5312
ATTN: Manager, Franchising Unit
CDE Certification Application