



**Community
Development
Financial
Institutions
Fund**

NMTC Program

New Markets Tax Credit
Allocation Application

2007 Application

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

OMB Approval No. 1559-0016 (PENDING RENEWAL)

CDFI-0020

Paperwork Reduction Act Notice.

This submission requirements package is provided to applicants to apply for an allocation of New Markets Tax Credits (NMTC) under the NMTC Program. Applicants are not required to respond to this collection of information unless it displays a currently valid OMB control number. The estimated average burden associated with this collection of information is 90 hours per *applicant*. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Program Manager, NMTC Program, Community Development Financial Institutions Fund, 601 13th Street, NW, Suite 200 South, Washington, DC 20005.

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Applicant Instructions

- Read the relevant New Markets Tax Credit (NMTC) Program publications prior to completing the *Allocation Application*. For information on the 2007 NMTC Program allocation round, read the *Notice of Allocation Availability (NOAA)* and the *Community Development Financial Institutions Fund's* (the Fund's) document titled "NMTC *Allocation Application Q&A Document*." For tax related information on the NMTC Program, read the final regulations issued by the Internal Revenue Service (26 CFR 1.45D-1) and related guidance. For information on *Community Development Entity (CDE)* certification, read the Fund's document titled "CDE Certification Q&A Document." All of these documents are available on the Fund's website at www.cdfifund.gov. The Fund's Q&A documents are periodically updated, so continue to check the website on a regular basis.
- Consult the Glossary of Terms (pages 57-63 of this document) when completing the *Allocation Application*. All terms and phrases that are in *Capitalized Italics* in the *Allocation Application* are defined in the Glossary of Terms.
- If the *Applicant* has not been certified as a *CDE* by the Fund, it must submit its *CDE Certification Application* to the Bureau of Public Debt (BPD, the entity that is handling intake of applications on behalf of the Fund) so that it is **Postmarked on or before January 12, 2007 and received by 5:00 pm Eastern Time on January 22, 2007**. The *CDE Certification Application* is available on the Fund's website at www.cdfifund.gov. Organizations whose *CDE Certification Applications* are not received at BPD in a timely fashion will be considered ineligible for *NMTC Allocations* in the 2007 round of the program. An *Applicant* that is a *Community Development Financial Institution (CDFI)* or *Specialized Small Business Investment Company (SSBIC)* does not need to submit a *CDE Certification Application* to BPD, but **must register** as a *CDE* on the Fund's website by 5:00 pm, Eastern Time, on January 12, 2007.

TIP: The Fund cannot process a *CDE Certification Application* unless each entity seeking certification as a *CDE*: (a) is a legal entity, and is a domestic corporation or partnership for federal tax purposes; and (b) has a valid and distinct Employer Identification Number (EIN). *Applicants* or *Subsidiary Applicants* that have applied for, but not yet received, an EIN as of the date of the *Authorized Representative's* signature on the *Allocation Application* will not be accepted. For more information on EINs and applying for an EIN, refer to the *CDE Certification Q&A Document* on the Fund's website at www.cdfifund.gov.

TIP: The term "*Postmarked*," as used throughout this document, is defined by 26 CFR 301. 7502-1. In general, the Fund will require a *Postmarked* date that is on or before the applicable deadline. The document must be in an envelope or other appropriate wrapper, properly addressed and deposited in the U.S. mail. The document may be 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.

- Carefully read the *Allocation Application* and the *NOAA* to determine whether the *Applicant* has the requisite eligibility, capacity, experience, and skills to compete for and administer a *NMTC Allocation*. Be sure also to review carefully the Assurances and Certifications provided in pages vii-ix of this document. By signing this *Allocation Application*, the *Applicant* is certifying to the truth, completeness, and correctness of this *Allocation Application*, including the items listed in the Assurances and Certifications on pages vii-ix.
- If the Fund determines that any portion of the application is incorrect in any material respect, the Fund reserves the right, in its sole discretion, to reject the application.

- As the *Applicant* prepares the *Allocation Application*, assume that the Fund's *Allocation Application* reviewers are learning about the organization for the first time, even if the organization has previously submitted an application to the Fund under this or any of the other Fund programs. Be sure to keep each narrative brief.
- A start-up organization that does not have a track record of raising capital or offering products and services may reference the activities of its *Controlling Entity* in the Business and Capitalization Strategy sections of the *Allocation Application*. However, a start-up may not reference the activities of individuals, including principals or board members, to demonstrate such track record. The activities and experiences of individuals may only be addressed in the Management Capacity section.
- The term *Applicant* refers to the *CDE* applying for a *NMTC Allocation* as well any other *Subsidiary* entities, whether already formed or in the process of formation, which may receive a transfer of all or a part of a *NMTC Allocation* from the *Applicant*. To the extent practicable, the *Applicant* may respond to each question in this *Allocation Application* collectively on behalf of all such entities. If responses vary for separate entities, be sure to clearly articulate which entity is being referenced in the narrative and tables.

DO NOT SUBMIT THIS ALLOCATION APPLICATION

- Using the online application: This version of the *Allocation Application* is a read-only version. Any organization interested in applying for a *NMTC Allocation* from the Fund is expected to submit an online *Allocation Application*. The Fund anticipates that the online *Allocation Application* will be available no later than **January 24, 2007**. *Applicants* may access the online *Allocation Application* as soon as it is made available by logging in through myCDFI Fund on the Fund's website at www.cdfifund.gov. *Applicants* who have not already done so are encouraged to register a user account through myCDFI Fund as soon as possible. Please contact the Fund's IT Help Desk at (202) 622-2455 or ithelpdesk@cdfi.treas.gov if you are having problems registering under myCDFI Fund. **The online *Allocation Application* must be received no later than 5:00 pm, Eastern Time, on February 28, 2007.** Complete instructions regarding the electronic submission requirements will be posted on the Fund's website at www.cdfifund.gov when the online *Allocation Application* is made available.
- Requesting paper submission: The online *Allocation Application* is a web-based tool that requires applicants to have: (1) Internet Explorer 5.5 or higher or Netscape Navigator 6.0 or higher, and (2) Windows 98 or higher (or other system compatible with the above Explorer and Netscape software). Ideally, *Applicants* should have a 56Kbps Internet connection, however, *Applicants* can use the online *Allocation Application* with a slower Internet connection. Any *Applicant* that cannot complete the online *Allocation Application* must notify the Fund that it intends to submit a paper application instead by downloading and using the form titled, "NMTC Paper Application Submission Form." Such notification must be submitted by facsimile at (202) 622-7754 to the attention of the Fund's Chief Information Officer, **and must be received by the Fund no later than 5:00 pm, Eastern Time, on February 14, 2007.** The form asks for an explanation of why the *Applicant* is not capable of submitting the online *Allocation Application*. The above form may be printed from the Fund's website at www.cdfifund.gov or requested by emailing the Fund at cdfihelp@cdfi.treas.gov or by calling the Fund's Program help desk at (202) 622-6355. Please indicate a name and fax number or email for receipt of the form. **The Fund will provide information on the procedures for submission of a paper application at that time.**
- Required investor letters: An *Applicant* that has received commitment letters or letters of interest from investors is required to submit attachments validating the following information: name of investor, dollar amount of equity sought or obtained (or dollar amount of debt, in the case of an investor partnership using debt capital), status of the investment request (e.g., funds received, *Commitment* of funds, *Letter of Interest/Intent*). If the documents do not contain such information and validate the information entered in Table C1 or are missing altogether, the *Applicant* could lose points under the Capitalization Strategy section. For examples of

acceptable documentation for the required information, refer to the Fund's *NMTC Allocation Application Q&A Document*.

- **Submitting attachments and signature pages:** All *Applicants* will be required to submit an original signature page with the *Authorized Representative's* signature and applicable attachments (*Letters of Interest/Intent, Commitment letters* and organizational charts). *Applicants* will be required to submit one original and four copies of the signature page and each attachment. All copies of the signature page and attachments must be submitted in one package/envelope. For those submitting a paper application, such documents must be submitted concurrently with the *Allocation Application* and must be **Postmarked no later than February 28, 2007 and received by 5:00 pm Eastern Time on March 9, 2007**. For those submitting an electronic application, the signature page and applicable attachments must be sent to BPD, **Postmarked no later than March 5, 2007 and received by 5:00 pm Eastern Time on March 12, 2007**. All documents must be submitted by mail to:

Bureau of Public Debt
CDFI Grants Management
ATTN: NMTC Program
200 Third Street
Parkersburg, WV 26101
Phone: (304) 480 - 6088 (to be used for shipping labels for overnight delivery services)

If a signature page with the correct signature is not received, with a *Postmark*, by the applicable deadline, the entire *Allocation Application* will be rejected without further review. If the attachments are not *postmarked* and received by the applicable deadline, then they will not be given consideration as part of the review process. **Only those attachments requested by the Fund will be considered as part of the review process.** Furthermore, the Fund will not accept any revisions or amendments to an application or the attachments once they have been submitted for review.

- **Each *Applicant* should expect that if it receives a *NMTC Allocation*, information provided in this *Allocation Application* will be used to determine the terms of an *Allocation Agreement*.**
- The contents of this *Allocation Application* are consistent with the Internal Revenue Code Section 45D (the Code) and the *NMTC Program Income Tax Regulations*. In the event of any inconsistency between the contents of this *Allocation Application* and the Code or the *NMTC Program Income Tax Regulations*, the provisions of the Code and the *NMTC Program Income Tax Regulations* shall govern.

TIP: If you have programmatic questions about the contents of this *Allocation Application*, you may contact the Fund by mail at 601 13th Street, NW, Suite 200 South, Washington, DC 20005, by e-mail at cdfihelp@cdfi.treas.gov, by telephone at (202) 622-6355, by facsimile at (202) 622-7754, or visit the Fund's website at www.cdfifund.gov. If you require information technology assistance in using the online *Allocation Application*, please call (202) 622-2455 or email ithelpdesk@cdfi.treas.gov.

The Fund will provide programmatic and information technology support related to the *Allocation Application* between 9:00 am and 5:00 pm, Eastern Time, through February 26, 2007. **The Fund will not respond to phone calls or emails concerning the *Allocation Application* that are received after 5:00 pm, Eastern Time, on February 26, 2007, until after the *Allocation Application* deadline of February 28, 2007.**

Assurances and Certifications

Except for paragraphs 10, 11, 12 and 13 below, the inability of the *Applicant* to provide the General Certifications (section A, below) will render the *Applicant* ineligible to apply for a *NMTC Allocation*. If the *Applicant* cannot provide the General Certifications in paragraphs 10, 11, 12 and 13, the *Applicant* must submit a written explanation. The Fund will consider the explanation provided and determine, in its sole discretion, whether the *Applicant* is eligible to apply for a *NMTC Allocation*. If the *Applicant* cannot provide any of the other General Certifications, it should not submit an *Allocation Application*.

The inability of the *Applicant* to provide the Certification Regarding Debarment, Suspension, and Other Responsibility Matters (section B, below) will not necessarily result in the denial of participation in this "covered transaction." The *Applicant* must submit an explanation of why it cannot provide the Certification Regarding Debarment, Suspension, and Other Responsibility Matters. The Certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (meaning, approval of the *Allocation Application* and entering into an *Allocation Agreement*). However, failure of the *Applicant* to furnish either the Certification or an explanation will disqualify the *Applicant* from participation in said transaction.

A. General Certifications

As the *Authorized Representative* of the *Applicant*, I hereby assure and certify that:

1. The *Applicant* is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established.
2. The *Applicant* has the legal authority to apply for a *NMTC Allocation*, and the institutional, managerial, and financial capability to ensure proper use of such allocation as described in this *Allocation Application* and in accordance with IRC §45D and the [NMTC Program Income Tax Regulations](#), and all applicable Department of the Treasury regulations and guidance documents.
3. The *Applicant's* governing body (e.g., Board of Directors) has by proper resolution or similar action authorized the signing and filing of this *Allocation Application*, including all understandings and assurances contained herein, and directed and authorized me as the *Authorized Representative* of the *Applicant* to act in connection with this *Allocation Application* and to provide such additional information as may be required.
4. The *Applicant* will give the Department of the Treasury, the Comptroller General of the United States, and if appropriate, the State of the *Applicant's* incorporation, through any *Authorized Representative*, access to and the right to examine all records, books, papers, or documents related to the provision of a *NMTC Allocation*; and will establish a proper accounting system in accordance with generally accepted accounting standards; Office of Management and Budget (OMB) regulations, guidelines, and circulars; and Department of the Treasury regulations and directives.
5. The *Applicant* will establish safeguards to prohibit employees from using their positions for purposes that constitute or present personal or organizational conflicts of interest, or personal gain, either real or perceived.
6. The *Applicant* will comply with all applicable requirements of Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000, as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Public Law No. 106-554, December 21, 2000), and as amended, regulations implementing the NMTC Program and all other applicable Department of the Treasury regulations, guidance, and implementing procedures (and any regulations or procedures which are later promulgated to supplement or replace them).
7. The *Applicant* will comply, as applicable and appropriate, with the requirements of OMB Circulars and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability.

8. The *Applicant* will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing the NMTC Program.
9. The *Applicant* has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry as part of this *Allocation Application* or any related document, correspondence, or communication. The *Applicant* and its *Authorized Representative* are aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both.
10. The *Applicant* and its officers, directors, owners, partners, and key employees: (a) have not within a three-year period preceding the date of this *Allocation Application* been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense; (b) have not within a three-year period preceding the date of this *Allocation Application* been convicted of or had a civil judgment rendered against them for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or (c) have not within the three-year period preceding the date of this *Allocation Application* been found liable in any civil legal action involving creditor's claims of greater than \$500,000.
11. The *Applicant* and its officers, directors, owners, partners, and key employees: (a) have not within a three-year period preceding the date of this *Allocation Application* been indicted for or charged with the commission of fraud or a criminal offense; (b) have not within a three-year period preceding the date of this *Allocation Application* been indicted for or charged with the violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraphs 11(a) and 11(b) of this certification; or (d) have not within the three-year period preceding the date of this *Allocation Application* been the subject of any formal investigation or disciplinary proceeding by a government agency, regulatory body, or professional association in connection with any matter which may have a material adverse effect on the *Applicant* or its financial condition or the *Applicant's* ability to carry out the authorized uses of a *NMTC Allocation*.
12. Any other person or entity that *Controls* the *Applicant* (other than the *Applicant's* officers, directors, owners, partners, and key employees): (a) has not within a three-year period preceding the date of this *Allocation Application* been indicted, charged with or convicted of, or had a civil judgment rendered against it for commission of fraud or a criminal offense; (b) has not within a three-year period preceding the date of this *Allocation Application* been indicted, charged with or convicted of, or had a civil judgment rendered against it for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraphs 12(a) and 12(b) of this certification; (d) has not within the three-year period preceding the date of this *Allocation Application* been the subject of any formal investigation or disciplinary proceeding by a government agency, regulatory body, or professional association in connection with any matter which may have a material adverse effect on the *Applicant* or its financial condition or the *Applicant's* ability to carry out the authorized uses of a *NMTC Allocation*; or (e) has not within the three-year period preceding the date of this *Allocation Application* been found liable in any civil legal action involving creditor's claims of greater than \$500,000.
13. The *Applicant* has never been delinquent on amounts due to the Internal Revenue Service or on any debts owed to Federal, State, or local government.
14. The *Applicant* has never filed for bankruptcy.

NOTE: Where the *Applicant* is unable to certify to one or more of the statements in paragraphs 10, 11, 12 or 13 of the General Certifications, the *Applicant* must attach a written explanation to this *Allocation Application*.

___ Check here if the *Applicant* is submitting a written explanation.

B. Certification Regarding Debarment, Suspension, and Other Responsibility Matters — Primary Covered Transactions

1. This Certification is a material representation of fact upon which reliance is placed when the Fund enters into an *Allocation Agreement* with the *Applicant*. If it is later determined that the *Applicant* knowingly rendered an erroneous or false Certification, the Fund may terminate, in its sole discretion, the *Notice of Allocation* and the *Allocation Agreement* for cause or default.
2. The *Applicant* must provide immediate written notice to the Fund if at any time the *Applicant* learns that this Certification was erroneous or false when submitted or has become erroneous or false by reason of changed circumstances.
3. The terms “covered transactions,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this Certification, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The *Applicant* may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
4. The *Applicant* agrees that, by submitting this *Allocation Application*, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
5. The *Applicant* further agrees that, by submitting this *Allocation Application*, it will include the Certification titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-Lower Tier Covered Transaction,” to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous or false. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs. See www.epls.gov for more information.
7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the Certification hereby required. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for transactions authorized under paragraph 4 above, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate, in its sole discretion, the *Notice of Allocation* and the *Allocation Agreement* for cause or default.

C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

The prospective primary participant (the *Applicant*) certifies to the best of its knowledge and belief, that it and its principals:

- are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- have not within a three-year period preceding this *Allocation Application* been convicted of or had a civil judgment rendered against them for: (i) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; or (ii) violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- have not within a three-year period preceding this *Allocation Application* had one or more public transactions (Federal, State, or local) terminated for cause or default.

NOTE: Where the *Applicant* is unable to certify to one or more of the statements in the Certification Regarding Debarment, Suspension, and Other Responsibility Matters, the *Applicant* must attach a written explanation to this *Allocation Application*.

____ Check here if the *Applicant* is submitting a written explanation.

Applicant Information

1. *Applicant NMTC Allocation Request*

(a) Total dollar amount of *NMTC Allocation* requested in this *Allocation Application*: \$ _____

(b) Does the Applicant want to be considered for GO Zone-only allocations in addition to being considered for regular NMTC allocations?

Yes _____ No _____

TIP: As authorized under the Gulf Opportunity (GO) Zone Act of 2005 (Pub. L. 109-135) the CDFI Fund will allocate through competition under this round an additional \$400 million in NMTCs to CDEs with a significant mission of recovery and redevelopment in the Hurricane Katrina GO Zone. This is in addition to the \$3.5 billion in NMTC allocation authority that had already been authorized for release in 2007. This \$400 million in special GO Zone allocation authority will be distributed to qualified applicants after the initial \$3.5 billion of allocation authority is exhausted, in accordance with the process outlined in the NOAA. Answering yes to this question will allow your CDE to be considered for this special allocation authority; it will not preclude your organization from otherwise being considered for the general pool of \$3.5 billion in tax credit authority.

2. *Applicant Information*¹:

(a) *Applicant Name*: _____

(b) *Applicant Employer Identification Number*: _____

(c) Structure of the *Applicant* (check all that apply):

_____ For-profit

_____ Non-profit

_____ *Small Business Investment Company*

_____ *Specialized Small Business Investment Company*

_____ *New Market Venture Capital Company*

_____ Certified CDFI

_____ Credit Union

_____ Publicly traded company

_____ Government-Controlled entity

_____ Faith-Based Institution

_____ *Minority-owned or controlled*

_____ Tribal Entity

_____ Thrift, bank or bank holding company

¹ For the purposes of Questions #2-9 in this *Applicant Information* section, the term *Applicant* shall only apply to the entity applying for a *NMTC Allocation*, and not to *Subsidiary* entities that may receive a transfer of all or part of a *NMTC Allocation*.

(d) Is the *Applicant* a domestic corporation or partnership for federal tax purposes? (If the *Applicant* is not a domestic corporation or partnership for federal tax purposes, it is not eligible to apply for a **NMTC Allocation**):

_____ Domestic Corporation

_____ Domestic Partnership

(e) *Applicant's* date of incorporation or formation (month/day/year): _____

(f) *Applicant's* total assets as of the date of this *Allocation Application*: \$ _____

(g) *Applicant's* fiscal year end (month/day/): _____

(h) Does the *Applicant* have any *Affiliates* that are applying for a *NMTC Allocation* in the 2007 round? (check one): ___ Yes ___ No

TIP: The answer to this question must be "No." An *Applicant* and its *Affiliates* may collectively submit only one application for *NMTC Allocations* under this round of the NMTC Program. If separate applications are received from multiple *Affiliated* entities, the Fund reserves the right to reject all such applications. For the purposes of this requirement, in addition to assessing whether applicants meet the definition of the term "Affiliate" found in the *Allocation Application*, the Fund will consider: (i) whether the activities described in applications submitted by separate entities are, or will be, operated or managed as a common enterprise that, in fact or effect, could be viewed as a single entity; and (ii) whether the business strategies and/or activities described in applications submitted by separate entities are so closely related that, in fact or effect, they could be viewed as substantially identical applications. In such cases, the Fund reserves the right either to reject all applications received from all such entities or to select a single application as the only one that will be considered for an allocation. For more information regarding these requirements, please review the Allocation Application Q&A Document on the Fund's website at www.cdfifund.gov. If you have questions about whether two entities are affiliated, you should contact the Fund before the 2007 *NMTC Allocation Application* due date.

3. *Controlling Entity* Information:

TIP: An *Applicant* may only designate an organization as a *Controlling Entity* that meets the definition of *Controlling Entity* set forth in the NOAA and the Glossary of Terms and that currently controls the day-to-day management and operations (including investment decisions) of the *Applicant*. Individuals cannot be deemed to be *Controlling Entities*. **The Allocation Application does not allow for more than one Controlling Entity.** Therefore, entities with more than one *Controlling Entity* will need to select one *Controlling Entity* to list in the application and to use throughout the Business Strategy section to assist in demonstrating track record and in completing the related exhibits. An *Applicant* may identify the parent organization/company of its parent as its *Controlling Entity* to demonstrate an organizational track record, provided that the relationship between the "grandparent" and the *Applicant* conforms to the Fund's definition of a *Controlling Entity*. Should the *Applicant* receive a *NMTC Allocation*, the entity that is designated as the *Controlling Entity* below will need to continue in that capacity throughout the term of the *Allocation Agreement* with the Fund.

_____ Not applicable. No *Controlling Entity*.

(a) *Controlling Entity Name*: _____

(b) *Controlling Entity Employer Identification Number*: _____

(c) Structure of the *Controlling Entity* (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> For-profit | <input type="checkbox"/> Credit Union |
| <input type="checkbox"/> Non-profit | <input type="checkbox"/> Publicly traded company |
| <input type="checkbox"/> <i>Small Business Investment Company</i> | <input type="checkbox"/> Government- <i>Controlled</i> entity |
| <input type="checkbox"/> <i>Specialized Small Business Investment Company</i> | <input type="checkbox"/> Faith-Based Institution |
| <input type="checkbox"/> <i>New Market Venture Capital Company</i> | <input type="checkbox"/> <i>Women- or Minority-owned or Controlled</i> |
| <input type="checkbox"/> Certified CDFI | <input type="checkbox"/> Tribal Entity |
| | <input type="checkbox"/> Thrift, bank or bank holding company |

(d) Total assets of *Controlling Entity*: \$ _____

4. *Applicant Mailing Information*:

Mailing address (provide nine-digit zip code):

Address for overnight deliveries (if different from mailing address, include 9-digit zip code):

5. *Authorized Representative Information*:

Name, title, and mailing address, if different from *Applicant*:

Telephone number: _____ Fax number: _____

E-mail address: _____

6. Contact Person Information (if different from *Authorized Representative*):

Name, title, and mailing address, if different from *Applicant*:

Telephone number: _____ Fax number: _____

E-mail address: _____

7. Has the *Applicant* already been certified as a *CDE* by the Fund or submitted a *CDE Certification Application*?

___ Yes. *CDE* Certification Control Number: _____

___ No

TIP: An *Applicant's CDE Certification Application* must be sent to the Bureau of Public Debt (the entity that is handling intake of applications on behalf of the Fund), *Postmarked* no later than January 12, 2007 and received no later than January 22, 2007 to be considered for a *NMTC Allocation* in the 2007 round. The *CDE Certification Application* is available on the Fund's website at www.cdfifund.gov. The Fund cannot process a *CDE Certification Application* unless each entity seeking certification as a *CDE*: a) is a legal entity and is a domestic corporation or partnership for federal tax purposes; and b) has a valid and distinct EIN. An *Applicant* that is a *CDFI* or *SSBIC* does not need to submit a *CDE Certification Application*, but must register as a *CDE* on the Fund's website on or before 5:00 pm, Eastern Time, on January 12, 2007.

8. The following descriptive information will be used by the Fund to develop profiles for its *Allocatees*. Such profiles will be shared with the general public via the Fund's website or other public materials/forums.

(a) Briefly describe the *Applicant's* business strategy (including geographic markets; products and services). Suggested length 4-5 sentences.

(b) Briefly describe how the *Applicant* will utilize its *NMTC Allocation* to enhance or improve its current activities. Suggested length 4-5 sentences.

TIP: For Question 8b above, the *Applicant* should specifically indicate the extent to which its *NMTC Allocation* will be used to: offer more favorable rates or preferential terms on its loan or investments products; target activities to areas of higher distress than currently served by the *Applicant*; engage in new product offerings; and/or increase the provision of products and services to *Low-Income Communities*. Please refer to the Fund's *NMTC Allocation Application Q&A Document* (available at www.cdfifund.gov) for a sample response to Question 8 of this *Allocation Application*.

9. Identify the type of service area that the *Applicant* will serve (check one). The service area identified here must be consistent with (i.e., identical to or a subset of) the service area identified by the *Applicant* in its *CDE Certification Application* and approved by the Fund:

- National service area
 Multi-state service area
 Statewide (or territory-wide) service area
 Local service area (e.g., neighborhoods, cities, a county or contiguous counties, or metropolitan areas) within a state or territory

TIP: An *Applicant* serving a metropolitan area that crosses multiple states (e.g., the Washington, DC or Philadelphia metropolitan areas) should check "local service area."

10. Identify the particular geographical areas that the *Applicant* will serve. An *Applicant* that is serving a national service area must identify the 7 states with the largest amount of projected activities:

State(s): _____

County(ies): _____

11. Estimate the percentage of activities, by dollar amount that will be directed to each of the following markets. The total percentage should add up to 100% of the *NMTC Allocation* amount.

% Major urban areas (Metropolitan area with a population equal to or greater than 1 million, including both central city and surrounding suburbs)

% Minor Urban areas (Metropolitan area with a population less than 1 million, including both central city and surrounding suburbs)

% Rural areas (Areas not contained within major urban or minor urban areas.)

12. Please indicate the *Applicant's* predominant anticipated financing activity (**check only one**):

Business financing

Real estate financing: (check only one accompanying sub-category)

Retail

Industrial

Community Facilities

Hospitality

Financing of other *CDEs*

Loan purchase from other *CDEs*

Financial Counseling and Other Services

Office Space

For-sale housing

Mixed-use (housing, commercial, or retail)

13. Estimate how long this *Allocation Application* form took to complete: _____ hours

TIP: For the purpose of estimating hours, *Applicants* should focus only on the amount of time it took to complete the questions asked in this application. Other activities that are carried out in the normal course of business and are only indirectly related to the completion of this application (e.g., securing investor commitments; developing a business strategy or marketing plan; etc.) should not be included in this estimation.

By signing this *Allocation Application*, the *Applicant* makes the Assurances and Certifications, set forth in the Assurances and Certifications (pages vii-ix) of the *Allocation Application*, which Assurances and Certifications are made a part hereof and will continue in effect until the *Applicant* enters into an *Allocation Agreement* with the Fund.

I hereby certify that all of the information that the *Applicant* has provided in this *Allocation Application* and in the Assurances and Certifications in support of this *Allocation Application* is true, correct, and complete. The execution and submission of this *Allocation Application* has been duly authorized by the governing body of the *Applicant*.

Applicant Name: _____

Authorized Representative Signature: _____

Name (print) Title

Date: _____

Part I: Business Strategy

Total Maximum Points for Part I: 25 points, plus up to 10 additional “priority points” available under sub-sections B and D.

TIP: An *Applicant* will score well in this section to the extent it can articulate, with specificity, its strategy to use a *NMTC Allocation* and can describe a strong, relevant track record, including a track record of serving *Low-Income Communities*. Included in this section is the ability to earn “priority points” for meeting the statutory priorities of: 1) investing in *Unrelated* entities; and/or 2) demonstrating a track record of serving *Disadvantaged Businesses or Communities*. Refer to the *NOAA* for further information on the statutory priorities.

A. Products, Services, and Investment Criteria

TIP: For the purposes of completing the Business Strategy section and all relevant exhibits, real estate refers to the development or leasing of a specific real estate project or projects, usually through special purpose entities established for that purpose. Investments in real estate businesses (development, management or other) in support of general business operations (as opposed to a specified project or projects) are considered non-real estate business transactions. Additionally, loans to special purpose entities owned by QALICBs for the principal purpose of leasing property back to the QALICB may be listed as non-real estate transactions.

Transactions with businesses that are involved in all other types of business activities should be classified as non-real estate business transactions regardless of: 1) how the business intends to use the proceeds of the transaction; or 2) whether the business intends to use any real estate owned as collateral for a loan. For example, if an *Applicant* provided a loan to a childcare provider for the purpose of purchasing the property where the childcare center would be housed, the *Applicant* would categorize this loan as a non-real estate business transaction. However, if the *Applicant* provided a loan to a development company for the purpose of building a childcare center, and the organization’s primary business is the development of community facilities, this loan would be considered a real estate business transaction.

14. Please indicate the types of *Qualified Low-Income Community Investments (QLICs)* in which the *Applicant* intends to engage (check all that apply), and what percentage of allocations (by dollar amount) will be used for each activity. (Percentages for a-e should add up to 100%):

(a) ___ % Investments in, or loans to, non-real estate *QALICBs*.

Loans/investments will be used to support: (these two percentages should add up to 100%)

___ Business operations ___%

___ Real estate development or acquisition of property to be used in operating the business ___%

(b) ___ % Investments in, or loans to, *QALICBs* whose principal activities involve the development or rehabilitation of real estate.

(c) ___ % Investments in, or loans to, other CDEs.

Please indicate the percentage of each activity (by dollar amount) in which the final recipient CDEs intend to engage, using the proceeds of the NMTC investments provided by the Applicant. Percentages should add up to 100%:

___ % Origination of loans, investment of capital, or equity to non-real estate QALICBs.

___ % Origination of loans, investment of capital, or equity to QALICBs whose principal activities involve the development or rehabilitation of real estate.

___ % Financial Counseling and Other Services.

___ (d) Purchases of loans from other CDEs. _____%

___ (e) Financial Counseling and Other Services. _____%

___ In conjunction with financing (check, if applicable)

___ As a discrete line of business (check, if applicable)

TIP: An Applicant will score well under the Products, Services, and Investment Criteria subsection to the extent that it will deploy debt or equity capital, or offer products and services which: 1) are designed to meet the needs of underserved markets; 2) are flexible or non-traditional in form; and 3) focus on customers or partners that typically lack access to conventional sources of capital.

15. Provide an executive summary of the Applicant's overall business strategy for use of its NMTC Allocation. Be sure to provide the following:

- A brief summary of the Applicant's geographic market
- A brief summary of the types of projects and/or borrowers the Applicant will target
- A brief summary of the products that the Applicant will offer, including both financial products and technical assistance
- A brief summary of how the NMTCs will enhance the Applicant's product offerings

TIP: Note that Question #15 is meant to be a summary of the Applicant's overall business strategy, thus it is not necessary to provide detailed discussion of items that will be specifically covered in detail in other parts of the Business Strategy section.

TIP: If an *Applicant* intends to utilize its *NMTC Allocation* to engage solely in either the purchase of loans from other *CDEs* or in the provision of *Financial Counseling and Other Services*, and not in the origination of loans or equity, it should skip Question #16 below.

16. Describe the Flexible or non-traditional products, rates or terms that the *Applicant* intends to offer.

(a) Check all of the flexible or non-traditional products, rates or terms that the *Applicant* intends to offer (check all that apply):

- Equity Investments
- Equity Equivalent terms and conditions
- Debt with equity features (e.g., debt with royalties; debt with warrants; convertible debt)
- Subordinated debt
- Below market interest rates
- Lower than standard origination fees
- Longer than standard period of interest-only loan payments
- Higher than standard loan to value ratio
- Longer than standard amortization period
- More flexible borrower credit standards
- Non-traditional forms of collateral
- Lower than standard debt service coverage ratio
- Loan loss reserve requirements that are less than standard

(b) For each item checked above, and for each major product line offered by the *Applicant*, provide a brief description of the rates and/or terms that will be offered and how these rates and terms compare with what is typically offered by the *Applicant* or typically offered in the marketplace.

TIP: For each item checked in Question #16a, the *Applicant* should provide a distinct and unique narrative description. *Applicants* that use the same narrative text for each item checked will not be scored as favorably. To the extent the *Applicant* indicates a range of offerings within an item listed above (e.g., interest rates from 100 bps to 500 bps below market), it should describe how that range would be applied, (i.e. what circumstances would dictate the specific rates or terms), and how often the best rates and terms would be offered.

17. Choose one of the following options. (check only one)

The *Applicant* will commit that 100% of its QLICs will:

- (a) be provided in the form of equity; equity-equivalent financing; debt with interest rates at least 50% below market; or debt that otherwise

satisfies at least 5 indicia of flexible or non-traditional rates and terms, as listed in Question 16.

- (b) be provided in the form of equity; equity-equivalent financing; debt with interest rates at least 33% below market; or debt that otherwise satisfies at least 4 indicia of flexible or non-traditional rates and terms, as listed in Question 16.
- (c) be provided in the form of equity; equity-equivalent financing; debt with interest rates at least 25% below market; or debt that otherwise satisfies at least 3 indicia of flexible or non-traditional rates and terms, as listed in Question 16.
- (d) be provided in the form of equity; equity-equivalent financing; debt with interest rates at least 15% below market; or debt that otherwise satisfies at least 2 indicia of flexible or non-traditional rates and terms, as listed in Question 16.
- (e) None of the above.

TIP: *Applicants* will score better to the extent they commit to provide equity or equity-equivalent financing; greater interest rate reductions on their debt; and/ or a higher number of flexible/non-traditional rates and terms. ***Applicants that check one of the options a-d in Question #17 above should be aware that this commitment will be a condition of their Allocation Agreement with the CDFI Fund.***

18. For an *Applicant* that indicated under Question 14c above that it intends to finance other *CDEs*, describe the strategy by which the *Applicant* will ensure that those *CDEs* will pass along the NMTC benefits to their *QALICB* borrowers in the form of more favorable rates or terms.

19. For an *Applicant* that indicated under Question #14d above that it plans to purchase qualifying loans from other *CDEs*:

(a) Will the *Applicant*, directly or through contract with another entity, service the loans that it purchases? Yes No

If yes, briefly describe the capacity of the servicing entity to service loans.

(b) Will the *Applicant* require the *CDE* from which it purchases loans to reinvest all or a portion of the proceeds from the loan sales in *QLICs*?
 Yes No

If yes, identify the percentage: _____%; and briefly describe the *Applicant's* mechanisms for enforcing this requirement:

TIP: An *Applicant* purchasing loans from other CDEs generally will not score favorably in the Business Strategy section unless it indicates, in Question #19b above, that it will require the *CDE*, from which it purchases loans, to reinvest at least 60% of the proceeds from the loan sales in *QLICIs*. The higher the percentage identified in Question #19b above, the better the *Applicant* will score under the Business Strategy section. **However, if the *Applicant* receives a *NMTC Allocation*, it will be required to meet the percentage identified above, and such requirement will be a term of its *Allocation Agreement*.**

- (c) Describe the extent to which the *Applicant* intends to: a) purchase loans at terms and/or with conditions that would not be possible without the benefit of a *NMTC Allocation*; and/or b) offer better rates or terms to the selling *CDEs* than would otherwise be possible without the benefit of a *NMTC Allocation*.

B. Prior Performance

TIP: An *Applicant* that can demonstrate (either on its own or through a *Controlling Entity*) a strong, successful track record of providing products, services, or *FCOS* similar to those that it intends to deploy with *Qualified Equity Investment (QEI)* proceeds will score well under this sub-section. Only the organizational track record of the *Applicant* or the *Controlling Entity* may be referenced. The track records of principals, board members and other management individuals are not relevant for this sub-section. There will be an opportunity to discuss individual qualifications in the Management Capacity section of this application.

TIP: The *NMTC* Program legislation requires the Fund to give priority in the selection of *Applicants* to any *Applicant* that has a track record of successfully providing capital or technical assistance to *Disadvantaged Businesses or Communities*. An *Applicant* may receive up to five "priority points" for demonstrating such a track record. An *Applicant's* responses to Questions #20 and #21 below will be the determining factor in this rating. Only the organizational track record of the *Applicant* or the *Controlling Entity* may be referenced. Do not refer to the track record of individuals (e.g., staff, principals, consultants) associated with the *Applicant* or its *Controlling Entity*.

20. Does the *Applicant*, or its *Controlling Entity*, have a track record of successfully providing the types of *QLICI* activities checked in Question #14?

___ Yes (complete Questions #20a-d) ___ No

TIP: The *Applicant* should only reference, in the Tables in Exhibit A and in the

narrative in Question #20, loans or *Equity Investments* that the *Applicant* (or its *Controlling Entity*) has itself originated and for which it has capital at risk. DO NOT include participation amounts that were originated by third parties or any other activities (e.g., loan packaging; project development) in which the *Applicant* or its *Controlling Entity* may have participated. The *Applicant* may separately discuss the amounts it has leveraged, facilitated or otherwise participated in its narrative response to Question #21 below.

- (a) If yes, complete Tables A1-A4, as applicable for the types of *QLICI* activities in which the *Applicant* or its *Controlling Entity* has engaged.

TIP: If an *Applicant* intends to utilize its *NMTC Allocation* to engage in the provision of *FCOS* as a discrete line of business, and not in the purchase or origination of loans or *Equity Investments*, it need not complete Tables A1-A4. It must include, however, in its narrative response below to Question #20b, the number of businesses/entrepreneurs to which the *Applicant* has provided counseling or other services in the last five years.

- (b) If yes, provide a narrative discussion of the organization's track record for each type of *QLICI* activity identified (including *FCOS*), referencing data included in Tables A1-A4 as appropriate. This narrative must include a discussion of the delinquency/default rates for each major product line over the past five years, with explanations as appropriate.

- (c) If yes, describe more specifically the *Applicant's*, or its *Controlling Entity's*, experiences in, and strategies for, targeting such activities to *Disadvantaged Businesses and Communities*. Be sure to indicate how long the *Applicant* has been serving *Disadvantaged Businesses and Communities*:

- (d) **If the *Applicant* is applying for a special GO Zone-only allocation**, briefly describe the *Applicant's* track record of providing each type of *QLICI* activity identified (including *FCOS*), in the GO Zone over the past five years. Indicate, both in real dollars and as a percentage of the *Applicant's* overall activities, the amount of loans and investments the *Applicant* has financed in the GO Zone during the past five years

21. Does the *Applicant*, or *Controlling Entity*, have a track record of successfully providing products and services that would not qualify as *QLICI* activities (e.g., financing

residential rental housing, loan guarantees, loan packaging services, general real estate development) but are similar to the proposed NMTC activities?

___ Yes ___ No

(a) If yes, describe the Applicant's track record with such transactions and how it relates to the proposed *QLICI* activities.

(b) Approximately, what percentage of these activities were directed to *Disadvantaged Businesses or Communities*? ___%

(c) Describe more specifically the *Applicant's, or its Controlling Entity's*, experiences in providing such activities to *Disadvantaged Businesses and Communities*. Be sure to indicate how long the *Applicant, or its Controlling Entity*, has been serving *Disadvantaged Businesses and Communities*:

(d) **If the Applicant is applying for a special GO Zone-only allocation**, briefly describe the *Applicant's* track record of providing financing products and services in the GO Zone over the past five years that would not qualify as *QLICI* activities, but are similar to the proposed GO Zone activities. Indicate, both in real dollars and as a percentage of the *Applicant's* overall activities, the amount of loans and investments the *Applicant* has financed in the GO Zone during the past five years.

22. **If the Applicant is applying for a special GO Zone-only allocation:**

- Briefly describe the extent to which the *Applicant* (or its *Controlling Entity*) has a physical presence in the GO Zone (e.g., offices; bank branches; employees; or other operational centers. Be sure to indicate the Applicant's (or Controlling Entity's) number of employees currently located in the GO Zone, both in total numbers and as a percentage of the Applicant's (or Controlling Entity's) total number of employees overall.
- Provide a brief description of the nature of the functions of these operations and personnel and how they support the *Applicant's* GO Zone recovery and redevelopment efforts.
- Provide a brief description of any other resources (e.g., community partners; investors) in the GO Zone that are available to the *Applicant* (or Controlling Entity) to support its GO Zone recovery and redevelopment efforts.

C. Projected Business Activities

TIP: Projected activities must be consistent with an *Applicant's* request for a *NMTC Allocation*. An *Applicant* that has a readily identifiable set of business activities in which it will engage in the near term will score well under this sub-section, as will an *Applicant* that can demonstrate an effective strategy for locating qualifying activities.

23. Complete Tables B1-B7, as applicable, according to the types of *QLICI* activities in which the *Applicant* intends to engage, and indicate whether the *Applicant* will use the proceeds of its *QEIs* to (check one):

- Support a single project, business or portfolio purchase that has already been identified (must be listed in Question #24 below)
- Support a discrete number of *QLICIs* that have already been identified (must be listed in Question #24 below)
- Support a general pipeline of *QLICIs* that may or may not have been identified at the time of submission of this *Application*

24. If the *Applicant* identified in Question #23 that it intends to use its *QEI* proceeds solely in support of a single *QLICI*, or a discrete number of identified *QLICIs*:

(a) Identify the specific *QLICI(s)* (including execution of contracts to deliver *FCOS*):

TIP: An *Applicant* that indicates that its application is in support of a single activity or a discrete list of *QLICIs* as listed in Question 24 will likely be required to close such transactions, as a condition of receipt of a *NMTC Allocation*, and such requirement will be a term of the *Allocation Agreement*.

Name of Transaction	Projected \$ Amount	Projected Closing Date	Address ¹	Census Tract
TOTAL	\$			

¹Provide full address, including street address (no P.O. Boxes), city, state, and a 9-digit zip code.

(b) Describe the feasibility and current status of each transaction (e.g., fully negotiated and committed, in preliminary discussions, etc.), the anticipated

dates for project financing and completion, and the risks that may preclude the project from being completed within the timeframes identified.

25. If the *Applicant* identified in Question #23 that it intends to support a general pipeline of activities that may or may not yet be identified, provide narrative below to describe:
- The number and dollar amount of transactions that have already been identified, for which underwriting is completed or underway;
 - Sample transactions in the *Applicant's* pipeline;
 - The information or data used to develop the activity projections in Exhibit B (e.g., historical levels of activity; letters of interest from borrowers; current referrals);
 - The *Applicant's* strategy for identifying potential borrowers, investees, or other customers, including the extent to which the *Applicant* will be utilizing community alliances or strategic partners to source transactions;
 - The extent to which the *Applicant* intends to invest interest, dividends or other profits received from *QLICs* into additional *QLICs*, and the timeline for doing so.

TIP: An *Applicant* that is applying for a GO Zone-only allocation should be sure to address, through narrative under Question 25, the activities it has undertaken (or intends to undertake) specific to the GO Zone.

26. If the *Applicant* is applying for a special GO Zone-only allocation, provide the total amount of *QLICs* that the *Applicant* believes it can invest in the GO Zone:

Within three years of signing an allocation agreement? \$_____

Within five years of signing an allocation agreement? \$_____

Explain how the *Applicant* determined the above-listed amounts:

27. Indicate whether the *Applicant* intends to use its *NMTC Allocation* to achieve any of the following. Check all that apply, and provide narrative as required for each item checked:

____(a) Increase the volume of its activities. Describe and quantify the increase in activities in comparison to what the *Applicant* (or its *Controlling Entity*) has provided over the past five years. Be sure to correlate the volume increase described below to the applicable Tables in Exhibit A:

____(b) Expand the types of products and services offered. Describe the product differences in comparison to what the *Applicant* (or its *Controlling Entity*) has provided over the past five years:

____(c) Target activities to areas of greater economic distress. Describe the distress indicators in comparison to areas that have been typically served by the *Applicant* (or its *Controlling Entity*) over the past five years:

____(d) If the *Applicant* did not check any of the above items, explain why the *Applicant* is seeking a *NMTC Allocation*:

D. Investments in Unrelated Entities

TIP: The *NMTC* Program legislation requires the Fund to give priority to *Applicants* that intend to use “substantially all” of their *QEI* proceeds to make investments in one or more businesses in which persons *Unrelated* to the *Applicant* hold the majority equity interest. An *Applicant* planning to invest substantially all of its *QEI* proceeds in *Unrelated* entities will be awarded five additional points. An *Applicant* that receives priority points under this sub-section will be required, in its *Allocation Agreement*, to invest substantially all of its *QEI* proceeds in *Unrelated* entities. Please refer to the *NMTC Allocation Application Q&A* document for more information about what is considered an *Unrelated* entity transaction.

28. Does the *Applicant* intend to use substantially all of the proceeds of its *QEIs* to make *QLICs* in one or more businesses in which persons *Unrelated* to the *Applicant* hold the majority equity interest?

___ Yes ___ No

Part II: Community Impact

Total Maximum Points for Part II: 25 points

TIP: The Fund will review the extent to which the *Applicant's* strategy will have positive community development and economic impact on a community. An *Applicant* will generally score well under this section to the extent that: a) it is working in particularly economically distressed or otherwise underserved communities; and b) it shows demonstrable community development and economic impact.

A. Targeting the Use of QLICIs

29. Applicant targeting of QLICI activities: Indicate the percentage of total QLICIs (based on dollar amounts) that will be used to finance activities in one or more of the geographic areas identified below. _____ %
- (a) Check all areas likely to be served by the *Applicant*: (check all that apply):
- _____ 1. Census tracts with poverty rates greater than 30%, and, if located in a Metropolitan Area, with populations of at least 500 persons.
 - _____ 2. Census tracts with, if located within a non-Metropolitan Area, median family income that does not exceed 60% of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 60% of the greater of statewide median family income or the Metropolitan Area median family income and with populations of at least 500 persons.
 - _____ 3. Census tracts with unemployment rates at least 1.5 times the national average, and, if located in a Metropolitan Area, with populations of at least 500 persons.
 - _____ 4. Federally designated Empowerment Zones, Enterprise Communities, or Renewal Communities.
 - _____ 5. SBA designated HUB Zones to the extent QLICIs will support businesses that obtain HUBZone certification by the SBA.
 - _____ 6. Brownfield sites as defined under 42 U.S.C. 9601(39).
 - _____ 7. Areas encompassed by a HOPE VI redevelopment plan.
 - _____ 8. Federally designated Native American or Alaskan Native areas, Hawaiian Homelands, or redevelopment areas by the appropriate Tribal or other authority.
 - _____ 9. Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority.
 - _____ 10. Colonias areas as designated by the U.S. Department of Housing and Urban Development.
 - _____ 11. Federally designated medically underserved areas, to the extent QLICI activities will result in the support of health related services.
 - _____ 12. Projects serving *Targeted Populations*, to the extent that: a) they are located in non-metropolitan areas; b) they are 60% owned by *low-income persons* (LIPs); c) at least 60% of employees are LIPs; or d) at least 60% of customers are

LIPs.

- 13. High Migration Rural County.
- 14. Enterprise zone programs, or other similar state/local programs targeted towards particularly economically distressed communities.
- 15. USDA Champion Communities or Rural Economic Area Partnership (REAP) Zones.
- 16. Counties for which the Federal Emergency Management Agency (FEMA) has: issued a "major disaster declaration" and made a determination that such County is eligible for both "individual and public assistance"; provided that, with the exception of the GO Zone, the initial investment will be made within 18 months of the disaster declaration.

- (b) Will the *Applicant* commit to providing at least 75% of its *QLICs* (in terms of aggregate dollar amounts) in areas that are either: (1) characterized by at least one of items 1-3 on the above list for each *QLIC*; or (2) characterized by at least two of items 4-15 on the above list for each *QLIC*; or 3) characterized by item 16 on the above list for each *QLIC*?

Yes No

TIP: An *Applicant* that checks yes above will be scored more favorably. Note that, if the *Applicant* receives a *NMTC Allocation*, it will be required to meet the percentage figure identified above, and such requirement will be a term of its *Allocation Agreement*.

- (c) **If the Applicant is applying for GO Zone-only allocations, will it commit to making:**

- (i) at least 50% of its *QLICs* in GO Zone census tracts identified by FEMA as having experienced flooding or severe/catastrophic damage?
- (ii) at least 25% of its *QLICs* in GO Zone census tracts identified by FEMA as having experienced flooding or severe/catastrophic damage?
- (iii) None of the above.
- (iv) N/A (Applicant does not plan to serve the GO Zone.)

TIP: *Applicants* can find a list of the GO Zone census tracts identified by FEMA as having experienced flooding or severe/catastrophic damage on the CDFI Fund website, (www.cdfifund.gov). If the *Applicant* checked (i) or (ii) in Question 29c, it will be required to meet the corresponding percentage figure, and such requirement will be a term of its *Allocation Agreement*.

30. Discuss how the *Applicant* will identify *QLICs* in these particularly economically distressed or otherwise underserved communities.

B. Economic Impacts – Prior Performance

TIP: An *Applicant* that can demonstrate a successful track record of community impact resulting from its transactions will generally score more favorably under this question. Such a track record must be supported with data tracked or monitored by the *Applicant* or its *Controlling Entity*.

31. Does the *Applicant*, or its *Controlling Entity*, have a track record of successfully providing the types of *QLICI* activities checked in Question #14 and/or a track record of providing related financing (e.g., financing of rental housing; loan guarantees; loan packaging services or general real estate development)?

___ Yes ___ No:

If Yes:

- (a) Complete Table C1 and discuss the methodology and assumptions used to populate the selected fields in Table C1 (e.g., tracking of historical data; general estimates based upon industry standards, etc.).

- (b) Describe what particular efforts were made to provide jobs or other benefits to *Low-Income Persons* or to residents of *Low-Income Communities*.

C. Economic Impacts - Projections

TIP: *Applicants* that can quantify and support specific indicators for expected community development impact for *Low-Income Persons* or residents of *Low-Income Communities*, in addition to general economic impacts in *Low-Income Communities*, will score more favorably under this section.

32. Complete Table C2 and:

- Describe the basis for the projections in Table C2 (e.g., historical levels of impact; assumptions based upon industry standards; assumptions based upon specific market research).
- Discuss how the *QLICIs* described in the Business Strategy section will result in the impacts quantified in Table C2.
- Describe how the *Applicant's* track record of generating community impacts will increase the likelihood of the *Applicant* being able to achieve the projected impacts.

33. (a) Will the *Applicant's QLICs* described in the Business Strategy section achieve one or more of the following impacts? (check all that apply):
- (1) ___ Create or maintain jobs for Low-Income Persons or residents of Low-Income Communities.
 - (2) ___ Increase wages or incomes for *Low-Income Persons* or residents of *Low-Income Communities*.
 - (3) ___ Finance or assist businesses owned by residents of, or otherwise committed to remain in, the *Low-Income Communities*.
 - (4) ___ Finance or assist minority- or women-owned businesses, or businesses owned by *Low-Income Persons*.
 - (5) ___ Finance or assist businesses (including non-profit organizations) or real estate projects that provide childcare, health care, educational or other benefits to *Low-Income Persons* or residents of *Low-Income Communities*.
 - (6) ___ Facilitate wealth-creation or asset accumulation (such as home ownership) by *Low-Income Persons* or residents of *Low-Income Communities*.
 - (7) ___ Provide goods and services to *Low-Income Persons* or residents of *Low-Income Communities*.
 - (8) ___ Create environmentally sustainable outcomes.
 - (9) ___ Other (explain):

For each item checked above:

- (A) Quantify and describe the impacts the *Applicant* hopes to achieve relative to the *QLICs* described in the Business Strategy section (e.g., number of jobs created for *Low-Income Persons* and what types of jobs).

-
-
- (B) Describe the methodologies and assumptions used to derive the *Applicant's* estimates and how the data will be collected going forward.
-
-

TIP: Those *Applicants* that clearly identify and quantify impacts from the list of impacts in Question 33, and provide supporting discussion of the methodologies used to derive those projections and how data will be collected going forward will be scored more favorably.

TIP: Question 33 differs from Question 32 in that Question 33 asks the *Applicant* to discuss more specific community development impact, as opposed to the more general economic development impact solicited from Question 32. It may be effective for the *Applicant* to provide examples of how previous transactions have achieved the types impacts the *Applicant*

expects to achieve with a NMTC Allocation.

- (C) If the *Applicant's* activities are directed to developing or rehabilitating rental or for-sale housing, will the *Applicant* commit to providing at least 20% of developed units as affordable housing units, (i.e. affordable to persons with income less than 80% of AMI)?

Yes _____ No _____ N/A _____

TIP: An *Applicant* that checks "yes" above will be scored more favorably, and this requirement may become a term of its *Allocation Agreement*.

34. How will the *Applicant's* investments or activities be coordinated with local community plans or local government planning efforts? At a minimum, include narrative responses to the following:

- Are the projects or investments being made in response to a State or local RFP?
- What local approvals are required to proceed with the planned investments?
- Does the basis for approving the investments include the benefits to the community, and if so, please describe the criteria.

35. Discuss the extent to which the *Applicant's* proposed *QLICs* described in the Business Strategy section are expected to encourage other investments in the *Low-Income Communities* in which the products and services will be offered.

Part III: Management Capacity

Total Maximum Points for Part III: 25 points

36. Attach organizational chart(s) that depict the following:
- The *Applicant's* relationship to its *Controlling Entity* and any *Affiliate* or *Subsidiary* entities (if applicable); and
 - The *Applicant's* staffing structure, including key board committees.

TIP: Be sure to refer to the *Applicant* Instructions for information regarding the submission of these documents.

37. Experience Deploying Capital or *Financial Counseling and Other Services*:

TIP: The Fund expects the *Applicant's* personnel to have relevant experience given the types of activities the *Applicant* intends to pursue with its *NMTC Allocation* – particularly in situations where the *Applicant* (or its *Controlling Entity*) lacks prior organizational performance in deploying capital or related services. An *Applicant* that can also demonstrate that its personnel has experience working in *Low-Income Communities* will score particularly well.

- Complete Table D1. Be sure to identify only those personnel, board members, or consultants that will have a key role in locating, underwriting, and approving investments, and/or in providing *Financial Counseling and Other Services*.
- To the extent that it is not clear from Table D1, please describe:
 - (a) The roles, responsibilities, and experience of key personnel, board members, and consultants in providing capital or *Financial Counseling and Other Services to Low-Income Communities*.

 - (b) How the *Applicant* will manage the addition of NMTC activities into its current portfolio of activities, including whether additional staff will need to be hired.

38. Experience Raising Capital:

TIP: The *Applicant* should augment the information provided under Part IV: Capitalization Strategy by focusing on the roles of specific personnel in carrying out the *Applicant's* Capitalization Strategy. An *Applicant* that has secured relatively few investor *Commitments* must demonstrate, through the experience and expertise of its personnel, that it has the ability to raise investor capital. An *Applicant* whose staff has experience raising capital from profit-motivated investors will score particularly well.

- Complete Table D2. Be sure to identify only those personnel, board members, or consultants that will have a key role in raising capital for the *Applicant*.
- To the extent that it is not clear from Table D2, please describe the roles, responsibilities, and experience of key personnel, board members, and consultants in raising capital from third party sources. Be sure to distinguish between raising capital from profit-motivated investors; from government or philanthropic sources of capital; or using tax credits as an incentive.

39. Asset and Risk Management Experience:

TIP: Each *Applicant* must demonstrate that it has the capacity to manage assets and the risks of these assets. An *Applicant* that has experienced staff and established systems to manage the informational and performance aspects of administering assets or pools of assets will score well under this sub-section.

- Complete Table D3. Be sure to identify only those personnel, board members, or consultants that will have a key role in managing the *Applicant's* assets and risk.
- Discuss how the *Applicant's* systems and procedures will ensure sound asset and risk management. Specifically, describe:
 - (a) The roles, responsibilities, and skills of key personnel, board members, or consultants in managing the *Applicant's* assets and risk, to the extent that it is not clear from Table D3.

- (b) How the *Applicant* will manage the addition of NMTC activities into its current portfolio of activities, including whether additional staff will need to be hired.

- (c) The *Applicant's* infrastructure (e.g., management information systems) to support the *Applicant's* asset and risk management procedures.

40. Program Compliance Experience:

TIP: Each *Allocatee* must have the capacity to remain in compliance with NMTC Program requirements. An *Applicant* will score well to the extent that it can: 1) demonstrate experience with similar regulatory compliance requirements, including compliance under other tax credit programs; and 2) articulate a specific strategy for ensuring that its NMTC-related investments will qualify at the time of investment and throughout the 7-year NMTC investment period.

- Complete Table D4. Be sure to identify only those personnel, board members, or consultants that will have a key role in fulfilling the NMTC Program compliance requirements for the *Applicant*.
- Discuss how the *Applicant's* systems and procedures (e.g., portfolio monitoring, reporting, investment/re-investment strategies) will ensure ongoing compliance with NMTC Program requirements. Specifically, be sure to indicate how the *Applicant* will ensure that:
 - (i) At least 85% of the proceeds of the *QEIs* are invested in *QLICs* in accordance with the [NMTC Program Income Tax Regulations](#). If the *Applicant* is providing loans or investments to another *CDE*, how will it ensure that the secondary *CDE* fulfills its investment requirements?
 - (ii) The businesses that the *Applicant* invests in are *QALICBs*, in accordance with the [NMTC Program Income Tax Regulations](#). If purchasing a portfolio of loans, how will the *Applicant* ensure that it purchases loans that are *QLICs*?
 - (iii) Payments of, or for, capital, equity, or principal by its borrowers or investees are re-invested into *QLICs* within applicable reinvestment periods. If providing loans to or investments in another *CDE*, how will it ensure that the secondary *CDE* fulfills its re-investment requirements?

41. Community Accountability:

TIP: All *CDEs* are required to maintain accountability to *Low-Income Communities*. An *Applicant* that can articulate meaningful involvement with *Low-Income Community* decision-makers will score well under this sub-section.

- Complete Table D5.
- How will *Low-Income Community* residents and/or *Low-Income Community* organizations be directly involved in the design, implementation or monitoring of the *Applicant's* business strategy? Provide narrative that addresses the following:

- (a) How the *Applicant* selected the individuals or organizations for community representation on its governing board or advisory board?
- (b) The process by which these individuals or organizations will solicit feedback from *Low-Income Community* stakeholders on matters relevant to the *Applicant's* proposed use of a NMTC allocation?
- (c) How will feedback from *Low-Income Community* stakeholders inform investment decisions?
- (d) The role, formal or otherwise that the *Low-Income Community* representatives to the governing board or advisory board will have in approving investment parameters or decisions?
- (e) **If the *Applicant* has applied for a GO Zone-only allocation, also** briefly describe the *Applicant's* current or proposed mechanisms for soliciting feedback from, and maintaining accountability to, residents of Low- Income Communities (LICs) in the GO Zone:

42. If the *Applicant*, or its *Controlling Entity*, is an insured financial institution that receives Community Reinvestment Act (CRA) ratings from regulators, please indicate the CRA ratings that it has received over the past five years. If the most recent CRA rating is less than "Outstanding", describe: 1) the conditions or circumstances that led to the rating; 2) the steps the institution is taking to achieve an "Outstanding" rating; and 3) the role that the NMTC can play in enabling the institution to achieve an "Outstanding" rating.

43. Answer the following questions regarding the *Applicant's* (or the *Controlling Entity's*) financial health. Indicate if the responses are (check one):

For the *Applicant* (if it has incurred operating expenses).

For the *Controlling Entity* (if the *Applicant* has not yet incurred operating expenses).

Not applicable (neither the *Applicant* nor the *Controlling Entity* has incurred operating expenses).

- (a) Have the most recent financial statements been audited? Yes No

If no, please explain why and what steps the *Applicant*, or its *Controlling Entity*, is taking to obtain audited financials in the future:

(b) Have any of the *Applicant's*, or its *Controlling Entity's*, auditor reports within the past three years (or, if shorter, for the period from inception) indicated any of the following:

- (i) An opinion other than unqualified? Yes No
- (ii) A going-concern paragraph? Yes No
- (iii) Repeated findings of reportable conditions? Yes No
- (iv) Material weaknesses in internal control? Yes No
- (v) If yes to any of the above, indicate the fiscal years of the occurrences and describe the circumstances and corrective action being taken:
-
-

(c) Have the entity's financial statements shown positive net income (or if a non-profit, positive change in net assets) for each of the last 3 years, or if in business for less than 3 years, for the period of time it has operated?

Yes No

If no, please explain and describe when the entity expects to achieve profitability. Non-profit organizations should provide an explanation if annual contributions and revenues do not exceed expenditures:

(d) Has the entity ever filed for bankruptcy or otherwise defaulted on financial obligations to a third party? Yes No

If yes, please explain the circumstances, indicate the fiscal year in which they occurred, and describe the corrective action being taken:

44. CDFI Fund Award Status:

TIP: Receipt of a prior award or allocation through any of the Fund's programs will not affect the likelihood of an *Applicant* receiving a *NMTC Allocation* in this round. The Fund will examine the compliance status of *Applicants* (or their *Affiliates*) that have previously received Fund awards or allocations. Refer to the NMTC 2007 NOAA for additional information regarding this and other requirements pertaining to *Applicant* eligibility under the 2007 round.

Has the *Applicant* and/or any of its *Affiliates* previously received a financial award (not including a *NMTC Allocation*) from the CDFI Fund?

___ Yes ___ No

If yes, please list the award(s) below. The *Applicant* may use additional space as necessary:

Name of *Awardee*: _____
EIN: _____
Award control number: _____
Total award amount: _____

Name of *Awardee*: _____
EIN: _____
Award control number: _____
Total award amount: _____

45. *NMTC Allocation Status:*

Has the *Applicant* and/or any of its *Affiliates* received an *NMTC Allocation* from the Fund in a prior allocation round?

___ Yes ___ No

If yes, please list the allocation(s) below. The *Applicant* may use additional space as necessary:

Name of *Allocatee*: _____
EIN: _____
Award control number: _____
Total allocation amount: _____

Name of *Allocatee*: _____
EIN: _____
Award control number: _____
Total allocation amount: _____

46. If the *Applicant* answered yes to Question #45, briefly explain the status of its previous Allocation award(s). Be sure to address:

- The number and dollar amount of *QEIs* issued on each award and the number and dollar amount of *QLICs* made with each award.

- The types of transactions that have been financed to date with NMTC proceeds, with particular emphasis on how NMTC proceeds were used to finance transactions that would not likely otherwise have occurred, and any community impact or benefits that were generated as a result of the transaction.
- Whether the activities undertaken with the NMTC dollars were consistent (with respect to product offerings; markets served; rates and terms; etc) with the business strategy presented in the relevant *Allocation Application*. If the activities were not consistent with the relevant *Allocation Application*, describe the inconsistencies.
- Explain why the *Applicant* is applying for additional *NMTC Allocations*.

TIP: An *Applicant* that has received (or whose *Affiliates* have received) a *NMTC Allocation* under a previous allocation round is NOT eligible to receive allocations under this allocation round unless the prior-year *allocattee* has met certain minimum threshold requirements regarding the issuance of its *QEIs*. Be sure to review the 2007 *NOAA* to become familiar with these requirements.

TIP: The Fund may review transaction-level data submitted by *Applicants* that are prior year *Allocatees* through the *Community Investment Impact System (CIIS)* and seek additional information from *Applicants*, to determine whether the *QLICs* made were consistent with the transactions and activities proposed in the relevant *Allocation Application(s)*.

47. Has the Applicant and/or any of its Affiliates: i) made a *QEI* into a *CDE* (or subsidiary of a *CDE*) that received a NMTC allocation in a prior round; or ii) assumed *Control* of a *CDE* that received a NMTC allocation in a prior round?

_____ Yes _____ No

If yes, please provide responses to the following:

(i) List the allocation(s) and total *QEIs* invested per allocation below. The Applicant may use additional space as necessary.

Name of *Allocattee*: _____
 Award control number: _____
 Total *QEI* amount invested: _____

Name of *Allocattee*: _____
 Award control number: _____
 Total *QEI* amount invested: _____

(ii) Discuss the types of transactions that have been financed to date with QEI proceeds, with particular emphasis on how QEI proceeds were used to finance transactions that would not likely otherwise have occurred, and any community impact or benefits that were generated as a result of the transactions.

TIP: *Applicants* and/or any *Affiliates* that have shared *Control* of a *CDE* (or subsidiary of a *CDE*) that is a prior round *Allocatee* should answer “yes” to Question 47 and provide requested responses.

TIP: *Applicants* providing responses to Question 47 need only make one entry per *Allocatee*, per award for which the *Applicant* has provided QEIs regardless of the number of individual QEIs made to that *Allocatee* under a single award. For example, if an *Applicant* has made 10 QEIs in *Allocatee X* under its second round *allocation*, then the *Applicant* would provide the aggregate amount of those 10 QEIs in its response to Question 47.

Part IV: Capitalization Strategy

Total Maximum Points for Part IV: 25 points

A. Investor Strategy

TIP: An *Applicant* that demonstrates a high level of investor commitment will score well under this sub-section. Additionally, the Fund expects consistency between the *Applicant's* request for a *NMTC Allocation*, the degree of investor interest, and the *Applicant's* strategy to deploy its *QEI* proceeds in *QLICs*. As the NMTC Program legislation seeks to encourage private sector capital investments in underserved markets, an *Applicant* will score well if it can identify how existing investors will increase their investments in these markets or describe a strategy to locate new investors for such investments. If an *Applicant* is seeking investments from investors that have not yet provided *Commitments*, the *Applicant* may score well to the extent it has a reasonable strategy for obtaining such *Commitments*.

48. Complete Tables E1-3. Pay particular attention to the TIPs and instructions at the beginning of Exhibit E prior to completing these Tables.

TIP: *Applicants* completing Table E1 are required to submit, along with their applications, documentation demonstrating proof of investor interest (e.g., proof of *QEI* issuance; *Commitment* letters; *Letters of Interest/Intent*). Be sure to follow the directions in the *Applicant* Instructions section for information regarding the submission of these documents.

49. Describe the track record of the *Applicant* (or its *Controlling Entity*) in raising capital, particularly equity capital at market or near-market rates. Reference information provided in Table E3 as appropriate:

TIP: In Question 49, refer only to the organizational track record of the *Applicant* or its *Controlling Entity*. Do not refer to the track record of individuals (e.g., staff, principals, consultants) associated with the *Applicant* or its *Controlling Entity*. There is an opportunity to discuss individual qualifications in the Management Capacity section of this application.

50. Discuss the *Applicant's* strategy for securing NMTC investor *Commitments*, referencing information provided in Tables E1-2 as appropriate. Be sure to address:
- The *Applicant's* timeline for securing investments from investors that have signed *Letters of Interest/Intent*, any risks that may preclude the *Applicant* from closing such investments, and how the *Applicant* is mitigating such risks.
 - The *Applicant's* strategy for identifying additional investors, including the extent to which the *Applicant* will be utilizing community alliances or strategic partners to raise investment capital.
 - If the *Applicant* is using a third-party investment banker to raise capital, describe whether a contract is in place, the terms (actual or proposed) of the

contract, and the progress to date that the banker has made in securing *Commitments* from investors. Do **NOT** list these investment bankers in Tables E1-2.

- The extent to which the *Applicant's* investors or potential investors are new to community development investing or are increasing their community development related investments.

51. Does the *Applicant* intend to secure investments from partnership entities that will leverage non-*Equity Investments* (e.g., debt, grant dollars) from outside of the partnership to increase the tax credit yield for members of the partnership?

___ Yes ___ No

TIP: *Applicants* that answer yes to Question 51 **and** list a corresponding investment partnership entity in Table E1 are required to submit, along with their applications, documentation demonstrating proof of the interest of the equity investors **and** debt providers in the partnership entities (e.g., letter indicating intent of equity or debt investor to provide capital to the partnership entity that will provide the *QEI* to the *Applicant*). Be sure to follow the directions in the *Applicant* Instructions section for information regarding the submission of these documents.

If yes, describe, for each such investor partnership:

- The progress made to date with respect to securing *Commitments* from the underlying equity investors **and** the non-equity providers, including whether or not these parties have provided commitment letters or letters of interest/intent.
- The *Applicant's* strategy for identifying additional sources of capital should the initially identified equity investors or non-equity providers fall through.
- The extent to which the equity investors or non-equity providers are new to community development investing or are increasing their community development related investments.

TIP: In Tables E1-2, *Applicants* that answer "yes" to Question 51 should only list the investment partnership(s) that will directly provide the *QEIs* to the *Applicant*. Do **NOT** list the upper tier investors that will finance the investment partnership entity. If an investment partnership entity does not yet exist, enter "To-Be-Formed Leveraged Investment Entity" in Table E1, and note in the narrative which upper tier investors correspond to this entity.

52. Will one or more of the *Applicant's* current or prospective investor(s) originate or otherwise identify transactions in which the *Applicant* will invest?

___ Yes ___ No

53. Will the *Applicant* receive any *QEIs* from *Affiliates*?

___ Yes ___ No

54. If the answer to either Question 52 or 53 above is yes, provide narrative detailing:

- The name of each such investor;
- The role of each investor with respect to locating, underwriting, and approving each investment;
- Whether each investor offers similar products or services already; and
- If applicable, the extent to which the *Applicant* will offer products with more favorable rates or terms than those currently offered by the investor and/or will target its activities to areas of greater economic distress than those currently targeted by the investor.

TIP: If the *Applicant* has obtained or plans to obtain investments from organizations that also will identify or originate transactions for the *Applicant* **or** organizations that are *Affiliated* with the *Applicant*, it will score well if: a) the *Applicant's* transactions are more targeted in some way to areas of greater economic distress than those areas that investors are already reaching with their investments or loan originations; or b) the *Applicant's* products and services are offered with more favorable rates or terms than those offered by the investor.

55. The NMTC creates an economic benefit that can be shared among the investor, the *CDE*, the *QLICI*, and end-users (e.g., businesses, residents) in the *Low-Income Communities*.

- Quantify as best you can, for each of your planned investment types, how the economic benefits of the *NMTC Allocation* will be apportioned amongst:
a) the investors, through economic returns; b) the *QLICI* investees/borrowers, through lower costs of capital; and c) the *Applicant*, through fees or economic returns.
- Indicate how the end-users in the *Low-Income Communities* will benefit from the NMTCs (e.g., lower rents for lessees in a commercial property; reduced costs for daycare at a childcare facility). Be as specific as possible in your narrative describing how the economic subsidy provided by the NMTCs will benefit the communities in which the investment(s) will be made. Be sure to reference related market benchmarks or practices where applicable.
- If applicable, describe any commitments your investors will make to re-invest all or a portion of their return on their investment(s) in *Low-Income Communities*.

TIP: The Fund would expect *Applicants* to quantify this information to the extent practicable, and to be able to demonstrate that there is an appropriate sharing

between the investor, *CDE*, and borrowers/investees. *Applicants* that indicate that the economic benefits are not shared with the borrowers/investees should explain why this is the case (e.g. transaction or project risk).

B. Sources and Uses of Capital

TIP: In this sub-section, the Fund seeks to understand both how efficiently the *Applicant* will use *QEI* proceeds and how well it is leveraging other sources of financing in conjunction with the activities undertaken with its *QEI* proceeds. An *Applicant* that intends to invest/re-invest more than 85% of its *QEI* proceeds in *QLICs* will generally score well, provided that the *Applicant* can reasonably demonstrate that it has other mechanisms in place to support its costs of operations.

56. Will more than 85% of the *QEI* proceeds be invested/re-invested in *QLICs*?

___ Yes ___ No If yes, what percentage: _____%.

TIP: The higher the percentage indicated above, the better the *Applicant* will score under the Capitalization Strategy section. **However, if the *Applicant* receives a *NMTC Allocation*, it will be required to meet the percentage identified above, and such requirement will be a term of its *Allocation Agreement*.** See the Allocation Application Q&A for a discussion of compliance issues related to reinvestments.

57. How will the *Applicant* finance its cost of operations? Provide a narrative that addresses the following:

- The estimated total annual cost of operations of the *Applicant* and a description of the sources of funds to support the operating costs.
- A description of the proportion of operating costs that will be covered by internally generated funds versus contributed operating revenue.
- If the *Applicant* will rely on contributed operating revenue from a parent or affiliated organization, discuss that contributing organization's obligation to make such contributions, its track record in raising cash or in-kind contributions, and its strategy to secure on-going funds.

58. Describe the *Applicant's* fee structures. Provide a narrative that addresses the following:

- The types and amounts of fees (front-end and back-end), residuals, and any other forms of profits that the *Applicant* intends to charge to or receive from its investors or borrowers/investees.

- A comparison of how the fee or profit structures compare to what is currently charged by the *Applicant* and/or by other entities in the market-place for comparable products.
- A description of any formal fee agreements (front-end and back-end, residuals, and/or profits), and how the *Applicant* will utilize the resources obtained pursuant to those agreements. For example, they may fund reserves, be a source of profit sharing for the organization, or be committed to support other further activities targeted to low-income communities.

C. Flow of Allocations

TIP: *Applicants* have five years from the date they enter into an *Allocation Agreement* with the Fund to issue all of their *QEI*s. An *Applicant* that is likely to issue *QEI*s early in this five-year period will score well under this sub-section. *Applicants* receiving *NMTC Allocations* will be held to the schedule identified in Table F1, and such requirement will be a term of their *Allocation Agreements*.

Complete Table F1.

59. Does the *Applicant* intend to transfer any portion of its *NMTC Allocation* to one or more *Subsidiary* entities? Yes No. If yes:

(a) Complete Table F2; and

(b) Briefly describe the *Applicant's* strategy for transferring its *NMTC Allocation* and the timeline for making such transfer(s):

TIP: An organization (including a non-profit entity) may apply for a *NMTC Allocation* with the intention of transferring all or a part of its *NMTC Allocation* to one or more for-profit *Subsidiary* entities. An *Applicant* will not be required to form such *Subsidiary* entities prior to the submission of its *Allocation Application*, but it must identify its intention to transfer all or part of its *NMTC Allocation* in its *Allocation Application*. **An *Applicant* and its *Affiliates* may collectively submit only one *Allocation Application* per competitive round through the *NMTC Program*.**

60. Provide a narrative that describes how the *Applicant* determined the total amount of *Allocation* authority requested in this application, and the likely outcomes if the *Applicant* were not to receive its full request

61. Minimum Request Amounts

(a) Is there an absolute minimum amount below which the *Applicant* would be unwilling to accept a *NMTC Allocation*?

_____ Yes _____ No

If yes, provide the amount \$_____. Describe how this amount was determined. Be sure to address why the *Applicant* could not administer a smaller award.

(b) **If the Applicant is applying for a GO Zone-only allocation**, is there an absolute minimum amount below which the Applicant would be unwilling to accept a GO Zone-only NMTC Allocation?

_____ Yes _____ No _____ N/A

If yes, provide the amount \$_____. Describe how this amount was determined. Be sure to address why the *Applicant* could not administer a smaller award.

TIP: At the conclusion of the Fund's review process, if the *Applicant* is recommended to receive less than the minimum amount of allocation authority identified in Question #61a, the Fund **will not** provide a *NMTC Allocation* to the *Applicant*. Likewise, if the *Applicant* is recommended to receive less than the minimum amount of GO Zone-only allocation authority identified in Question #61b, the Fund will not provide a GO Zone-only *NMTC Allocation* to the *Applicant*. An *Applicant* with a high minimum allocation request will need to demonstrate that it can raise and deploy the capital requested in a timely manner; that it will likely achieve significant community impacts or production innovations; and that it could not successfully implement its business strategy without this minimum allocation amount.

Exhibit A: Track Record of Activities

Instructions for Exhibit A: Applicants must complete the tables in Exhibit A for any *QLICI* activities for which the *Applicant* has a track record. An *Applicant* must provide information for the past five years or for as many years as the *Applicant* has been in operation if it has been in operation for fewer than five years. An *Applicant* that does not itself have such a track record (i.e., start-up institutions) may rely upon the track record of its *Controlling Entity*.

TIPS for Exhibit A:

- 1) Only include amounts the *Applicant* (or *Controlling Entity*) has itself originated (e.g., do not include participation amounts that were originated by third-parties). The *Applicant* may separately discuss amounts it has leveraged or facilitated in the narrative to Questions #21, but should clearly distinguish these amounts and should not include them in the tables in Exhibit A.
- 2) Do not combine the activities of the *Applicant* and the *Controlling Entity*. If an *Applicant* would like to discuss the track record of both, the *Applicant* must chose one to present in the tables, and discuss both in the narratives to Questions #20 and #21. The narratives should clearly distinguish between the track records of both entities.
- 3) Tables A1-4 in should be mutually exclusive. *Applicants* should not enter the same data in more than one table in Exhibit A.
- 4) For the purposes of completing Exhibit A, real estate business refers to the development or leasing of a specific real estate project or projects. Investments in real estate businesses (development, management or other) in support of general business operations, (as opposed to a specific project or projects), are considered non-real estate business transactions. Transactions with businesses that are involved in all other types of business activities should be classified as non-real estate business transactions, regardless of: 1) how the business intends to use the proceeds of the transaction; or 2) whether the business intends to use any real estate owned as collateral. For example, if an *Applicant* provided a loan to a childcare provider for the purpose of purchasing the property where the childcare center would be housed, the *Applicant* would categorize this loan as a non-real estate business transaction. However, if the *CDE* provided a loan to a development company for the purpose of building a childcare center, and the organization's primary business is the development of community facilities, this loan would be considered a real estate business transaction.

The Tables in Exhibit A reflect the activities of (check one): Applicant Controlling Entity

Table A1: Track Record of Loans/Investments to Non-Real Estate Businesses

Calendar Year(s)		2002	2003	2004	2005	2006	Totals (2002-2006)	Totals to Disadvantaged Businesses and Communities (2002- 2006)	Total Losses and/or Write-Offs (2002-2006)
1	Total # businesses financed								N/A
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$	\$	\$

Table A2: Track Record of Loans/Investments to Real Estate Businesses

Calendar Year(s)		2002	2003	2004	2005	2006	Totals (2002-2006)	Totals to Disadvantaged Businesses and Communities (2002- 2006)	Total Losses and/or Write-Offs (2002-2006)
1	Total # businesses financed								N/A
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$	\$	\$

TIP: In Table A3, the term *CDE* also may include other similar community-based organizations that may meet *CDE* certification criteria.

Table A3: Track Record of Loans/Investments to Other *CDEs*

Calendar Year(s)		2002	2003	2004	2005	2006	Totals (2002-2006)	Totals to Disadvantaged Businesses and Communities (2002- 2006)	Total Losses and/or Write-Offs (2002-2006)
1	Total # <i>CDEs</i> financed								
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$	\$	\$

TIP: In Table A4, the term *CDE* also may include other similar community-based organizations that may meet *CDE* certification criteria.

Table A4: Track Record of Loan Purchases from Other *CDEs*

Calendar Year(s)		2002	2003	2004	2005	2006	Totals (2002-2006)	Totals to Disadvantaged Businesses and Communities (2002- 2006)	Total Losses and/or Write-Offs (2002-2006)
1	Total # of loans purchased								N/A
2	Total \$ amount of loans purchased	\$	\$	\$	\$	\$	\$	\$	\$

Exhibit B: Projected Activities

Instructions for Exhibit B: All Applicants must complete the tables in Exhibit B based on the *QLIC* activities checked in Question #14.

TIPs for Exhibit B:

- 1) If the *Applicant* intends to transfer all or part of its *NMTC Allocation* to its *Subsidiaries*, combine the activities of the *Applicant* and its *Subsidiaries*. Only include those activities to be carried out by the *Applicant* and its *Subsidiaries* relating to equity raised with *NMTCs*.
- 2) Only include amounts the *Applicant* (or its *Subsidiaries*) will itself originate (e.g., do not include participation amounts that will be originated by third-parties). The *Applicant* may separately discuss amounts it will leverage or facilitate in narrative to Question 24 or Question 25, but should clearly distinguish these amounts and should not include them in the tables in Exhibit B.
- 3) The data included in the tables in Exhibit B, in the aggregate, should not exceed the *Applicant's* total allocation request unless the *Applicant* intends to invest interest, dividends, or other profits received from *QEI* proceeds into additional *QLICs*. If the *Applicant* is pursuing such a strategy of reinvestment, it should be further described in the narrative to Question 24 or Question 25, and listed separately in lines 5-8 of Tables B1, B2, and B4; lines 5-6 of Table B5; and line 4 of Table B7. **Do not consolidate reinvestment data into lines 1-4, where the Applicant should only discuss original QLICs.**
- 4) For the purposes of completing Exhibit B, real estate *QALICBs*, refer to the development or leasing of a specific real estate project or projects. Investments in real estate businesses (development, management or other) in support of general business operations, as opposed to a specific project or projects, are considered non-real estate *QALICB* transactions. Transactions with *QALICBs* that are involved in all other types of business activities should be classified as non-real estate *QALICB* transactions, regardless of: 1) how the business intends to use the proceeds of the transaction; or 2) whether the business intends to use any real estate owned as collateral. For example, if an *Applicant* provided a loan to a childcare provider for the purpose of purchasing the property where the childcare center would be housed, the *Applicant* would categorize this loan as a non-real estate *QALICB* transaction. However, if the *CDE* provided a loan to a development company for the purpose of building a childcare center, and the organization's primary business is the development of community facilities, this loan would be considered a real estate *QALICB* transaction.
- 5) To the extent the *Applicant* intends to issue *QEIs* and originate *QLICs* in 2006-2007 (in accordance with applicable IRS rulings regarding the issuance of *QEIs* prior to notification of a *NMTC Allocation*), such *QLICs* should be reported under activities in 2007. Any *QLICs* to be made beyond 2011 should be consolidated into 2011.

Table B1: Projected Loans/Investments to Non-Real Estate QALICBs (Estimated)

Calendar Year(s)		2007	2008	2009	2010	2011	Total
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
5	Total # of reinvestment transactions						
6	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
8	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$

Table B2: Projected Loans/Investments to Real Estate Businesses (Estimated)

Calendar Year(s)		2007	2008	2009	2010	2011	Total
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
5	Total # of reinvestment transactions						
6	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
8	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$

Table B3: Distribution of Loans/Investments to Real Estate Businesses From 2007-2011 (Estimated)		
Type of Project		% (By Dollar Amount) of Overall Real Estate Portfolio
1	Office Space	%
2	Industrial	%
3	Retail	%
4	Residential (for-sale)	%
5	Mixed-used (housing + other)	%
6	Community Facilities ¹	%
7	Hospitality	%
8	Infrastructure	%
9	Other (identify): _____	%
10	Other (identify): _____	%
11	Other (identify): _____	%
TOTAL		100%

¹A facility in which health care, childcare, educational, cultural or social services are provided. See 12 CFR §1805.104(k).

Table B4: Projected Loans/Investments in Other CDEs (Estimated)

Calendar Year(s)		2007	2008	2009	2010	2011	Total
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
5	Total # of reinvestment transactions						
6	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
8	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$

Table B5: Projected Loan Purchases from Other CDEs (Estimated)								
Calendar Year(s)		2007	2008	2009	2010	2011	Total	
1	Total # selling CDEs							
2	Total # of loan portfolios purchased	from Other CDEs from 2007 to 2011 (Estimated)						
3	Total # of loans purchased							
		Percentage (by \$ amount) of Overall Purchased Loan Portfolio						
4	Total \$ amount of loan purchases	\$	\$	\$	\$ %	\$	\$	
5	Total # of loans purchased via reinvested financing				%			
6	Total \$ amount of loans purchased via reinvested financing	\$	\$	\$	\$ %	\$	\$	
7	Mortgage loans on Hospitality real estate				%			
8	Other (identify): _____				%			
9	Other (identify): _____				%			
10	Other (identify): _____				%			
	TOTAL				100%			

Table B7: Projected *Financial Counseling and Other Services* to Businesses and Entrepreneurs in *Low-Income Communities* (Estimated)

Calendar Year(s)		2007	2008	2009	2010	2011	Total
1	Total # of businesses/entrepreneurs served through counseling or other services						
2	Total estimated hours spent counseling or providing other services per year						
3	Total \$ amount to be spent on counseling or providing other services	\$	\$	\$	\$	\$	\$
4	Total \$ amount of reinvestment to be spent on counseling or providing other services	\$	\$	\$	\$	\$	\$

Exhibit C: Community Impact

Instructions for Table C1: All Applicants with a track record of successfully providing the types of QLICI activities checked in Question 14 and/or a track record of providing related financial transactions (e.g., financing of rental housing; loan guarantees; loan packaging services or general real estate development) must complete this table. An Applicant that does not itself have such a track record (i.e., start-up institutions) may rely upon the track record of its Controlling Entity. **In order to list the track record of the Controlling Entity in Exhibit C, the Applicant must designate a Controlling Entity in Question 3.**

All Applicants should be sure to distinguish, in the second and third column of Table C1, the amount of financing that the Applicant provided from the amount of financing that was provided by the borrower or by third party entities. An Applicant that has not engaged in any QLICI type activities historically (i.e. an Applicant that checked “no” to Question 20) may still complete Table C1, provided that it indicated in Question 21 that it has engaged in related transactions. Such an Applicant should be sure to put “\$0” in the column labeled “\$ Amount of Applicant Financing.”

Table C1: Historic Community Impacts (cumulative 2002-2006 YTD)

This table reflect the activities of (check one): Applicant Controlling Entity

		# of projects	\$ Amount of Applicant Financing	\$ Amount of Financing from Other Sources	Permanent ¹ FTE ² Jobs Created or Maintained ³	Pre-development or Construction ¹ FTE ² Jobs Created or Maintained ³	Square Feet of Space Developed or Rehabilitated	# of Housing Units Developed or Rehabilitated	# of Clients Served
1	Non-Real Estate QALICBs		\$	\$		N/A	N/A	N/A	N/A
2	Real Estate QALICBs (total)		\$	\$					N/A
2a	Commercial ⁴		\$	\$					N/A
2b	Housing		\$	\$	N/A		N/A		N/A
3	Loans/Investments in CDEs ⁵		\$	\$					
4	Purchase of loans from CDEs ⁶		\$	\$					
5	FCOS		\$	\$	N/A	N/A	N/A	N/A	

¹ A permanent job is one that is at least 24 months in duration. Pre-development or construction jobs are short-term jobs (i.e., under 24 months in duration) that result from real estate projects or financing.

² A full time equivalent (FTE) is at least a 35-hour workweek.

³ A maintained job is a job that exists at the business at the time the business was financed.

⁴ Includes office, industrial, retail, mixed-use (housing +other), community facilities, hospitality and infrastructure.

⁵ Entities making loans/investments in other CDEs should calculate the impacts that will be obtained by the QALICB that ultimately receives the financing.

⁶ Entities purchasing loans from other CDEs should calculate the impacts that will be obtained via the investment of QLICI proceeds by the selling CDE.

Instructions for Table C2: All Applicants that project generating community impact as a result of NMTC activities discussed in the Business Strategy section must complete this table.

Table C2: Projected Community Impacts (cumulative 2007-2011)

		# of projects	\$ Amount of NMTC Financing	\$ Amount of Financing from Other Sources	Permanent ¹ FTE ² Jobs Created or Maintained ³	Pre-development or Construction ¹ FTE ² Jobs Created or Maintained ³	Square Feet of Space Developed or Rehabilitated	# of Housing Units Developed or Rehabilitated	# of Clients Served
1	Non-Real Estate QALICBs		\$	\$		N/A	N/A	N/A	N/A
2	Real Estate QALICBs (total)		\$	\$					N/A
2a	Commercial ⁴		\$	\$					
2b	For-sale housing		\$	\$	N/A		N/A		N/A
3	Loans/Investments in CDEs ⁵		\$	\$					N/A
4	Purchase of loans from CDEs ⁶		\$	\$					N/A
5	FCOS		\$	\$	N/A	N/A	N/A	N/A	

¹ A permanent job is one that is at least 24 months in duration. Pre-development or construction jobs are short-term jobs (i.e., under 24 months in duration) that result from real estate projects or financing.

² A full time equivalent (FTE) is at least a 35-hour workweek.

³ A maintained job is a job that exists at the business at the time the business was financed.

⁴ Includes office, industrial, retail, mixed-use (housing +other), community facilities, hospitality and infrastructure.

⁵ Entities making loans/investments in other CDEs should calculate the impacts that will be obtained by the QALICB that ultimately receives the financing.

⁶ Entities purchasing loans from other CDEs should calculate the impacts that will be obtained via the investment of QLICI proceeds by the selling CDE.

Exhibit D: Staff and Board Qualifications

Instructions for Table D1: All *Applicants* must complete Table D1. An *Applicant* may list personnel and board members that also appear in Tables D2-4, but be sure that this chart describes the individuals' specific qualifications, experience, and track record as it pertains to their role with the *Applicant* in deploying capital or *Financial Counseling and Other Services*. In Table D1, an *Applicant* may include any consultants that will assist in deploying capital or services. Such *Applicants* must name the particular individual who will assist the *Applicant*; identify the firm the consultant is employed by; clearly describe what his/her role will be with the *Applicant*; and describe his/her experience in such a role. Additionally, in the responsibilities column, the *Applicant* should discuss the terms and/or current status of the consultant's contract for services.

Table D1: Experience Deploying Capital or <i>Financial Counseling and Other Services</i>							
Name	Firm	Title at Firm	Yrs. with (or years providing services to) the <i>Applicant</i>	Role with <i>Applicant</i>	Description of Responsibilities with <i>Applicant</i> in Deploying Capital or Services	Hrs. per week with <i>Applicant</i> in this Capacity	Description of Individual's Qualifications
				<ul style="list-style-type: none"> • Governing board (GB) chair • GB member on loan/investment committee • Other GB member • Advisory board member • ED or equivalent • CFO or equivalent • Dir. of lending/investing or equivalent • Other key management • Loan/investment officer or equivalent • Compliance officer • Other finance staff • Contracted consultant • Other (specify): _____ 			

Instructions for Table D2: All *Applicants* must complete Table D2. An *Applicant* may list personnel and board members that also appear in Tables D1, D3, and D4, but be sure that this chart describes the individuals' specific qualifications, experience, and track record as it pertains to their role with the *Applicant* in raising capital. In Table D2, an *Applicant* may include any consultants or third-party investment brokers that will assist in raising capital. Such *Applicants* must name the particular individual who will assist the *Applicant*; identify the firm the consultant is employed by; clearly describe what his/her role will be with the *Applicant*; and describe his/her experience in such a role. Additionally, in the responsibilities column, the *Applicant* should discuss the terms and/or current status of the consultant's contract for services.

Table D2: Experience Raising Capital

Name	Firm	Title at Firm	Yrs. with (or years providing services to) the Applicant	Role with Applicant	Description of Responsibilities with Applicant in Raising Capital	Hrs. per week with Applicant in this Capacity	Relevant Experience Raising Capital (check all that apply)	Description of Individual's Qualifications	Total Amount of Capital Raised in Past Five Years (\$)
				<ul style="list-style-type: none"> • Governing board (GB) chair • GB member on loan/investment committee • Other GB member • Advisory board member • ED or equivalent • CFO or equivalent • Dir. of lending/investing or equivalent • Other key management • Loan/investment officer or equivalent • Compliance officer • Other finance staff • Contracted consultant • Other (specify): _____ 			<ul style="list-style-type: none"> • Profit-motivated investors • Non-profit or governmental entities • Using tax credits as an incentive • Not applicable 		

Instructions for Table D3: All *Applicants* must complete Table D3. An *Applicant* may list personnel and board members that also appear in Tables D1, D2, and D4, but be sure that this chart describes the individuals' specific qualifications, experience, and track record as it pertains to their role with the *Applicant* in asset and risk management. In Table D3, an *Applicant* may include any consultants that will assist in managing assets and risk. Such *Applicants* must name the particular individual who will assist the *Applicant*; identify the firm the consultant is employed by; clearly describe what his/her role will be with the *Applicant*; and describe his/her experience in such a role. Additionally, in the responsibilities column, the *Applicant* should discuss the terms and/or current status of the consultant's contract for services.

Table D3: Asset and Risk Management Experience

Name	Firm	Title at Firm	Yrs. with (or years providing services to) the Applicant	Role with Applicant	Description of Responsibilities with Applicant in Managing Assets and Risk	Hrs. per week with Applicant in this Capacity	Description of Individual's Qualifications	Total Assets Under Management in Past Five Years (\$)
				<ul style="list-style-type: none"> • Governing board (GB) chair • GB member on loan/investment committee • Other GB member • Advisory board member • ED or equivalent • CFO or equivalent • Dir. of lending/investing or equivalent • Other key management • Loan/investment officer or equivalent • Compliance officer • Other finance staff • Contracted consultant • Other (specify): _____ 				

Instructions for Table D4: All *Applicants* must complete Table D4. An *Applicant* may list personnel and board members that also appear in Tables D1-3, but be sure that this chart describes the individuals' specific qualifications, experience, and track record as it pertains to their role with the *Applicant* in managing NMTC Program compliance. In Table D4, an *Applicant* may include any consultants that will assist in program compliance. Such *Applicants* must name the particular individual who will assist the *Applicant*; identify the firm the consultant is employed by; clearly describe what his/her role will be with the *Applicant*; and describe his/her experience in such a role. Additionally, in the responsibilities column, the *Applicant* should discuss the terms and/or current status of the consultant's contract for services.

Table D4: Program Compliance Experience								
Name	Firm	Title at Firm	Yrs. with (or years providing services to) the Applicant	Role with Applicant	Description of Responsibilities with Applicant in NMTC Program Compliance	Hrs./week with Applicant in this Capacity	Relevant Experience Monitoring Compliance (check all that apply)	Description of Individual's Qualifications
				<ul style="list-style-type: none"> • Governing board (GB) chair • GB member on loan/investment committee • Other GB member • Advisory board member • ED or equivalent • CFO or equivalent • Dir. of lending/investing or equivalent • Other key management • Loan/investment officer or equivalent • Compliance officer • Other finance staff • Contracted consultant • Other (specify): _____ 			<ul style="list-style-type: none"> • NMTC Program • Other tax credit programs • Other governmental programs • Foundation • Other (specify): _____ • Not applicable 	

Instructions for Table D5: All *Applicants* must complete Table D5. An *Applicant* should list each *Low-Income Community* representative on its Governing or Advisory Board. An *Applicant* should not list all board members – only those that represent *Low-Income Communities*. Responses should be consistent with the data provided in the *Applicant's CDE Certification Accountability Chart*. However, an *Applicant* may include any new members have that joined the board since the time of submission of the *Applicant's CDE Certification Application*.

Table D5: <i>Low-Income Community</i> Representatives on the <i>Applicant's</i> Board						
Board Member Name	Firm	Title at Firm	Advisory or Governing Board Member?	Yrs. on Board	Indicate how the individual is Representative of <i>Low-Income Communities</i> ? ¹	Describe the individual's qualifications as an LIC representative, including related LIC community affiliations or experiences.
			<ul style="list-style-type: none"> • Advisory • Governing 		<ul style="list-style-type: none"> • Resident • Small business owner • Employee or board member of a non-<i>Affiliated</i> community-based or charitable organization • Religious leader whose congregation is based in a <i>Low-Income Community</i> • Employee of a governmental agency or department that principally serves <i>Low-Income Communities</i> • An elected official (or works for one) whose constituency is comprised principally of residents of <i>Low-Income Communities</i> • Other (specify): _____ 	

Exhibit E: Investor Strategy

TIPs for Exhibit E:

- 1) *Applicants* completing Table E1 are required to submit, along with their applications, documentation demonstrating proof of investor interest (e.g., proof of *QEI* issuance; *Commitment* letters; *Letters of Interest/Intent*). For examples of acceptable documentation for the required information, refer to the Fund's *NMTC Allocation Application Q&A Document*. Be sure to refer to the *Applicant Instructions* for information regarding the submission of these documents.
- 2) If an *Applicant* received a previous *NMTC Allocation*, it should not include in Tables E1-2 investors that provided *QEIs* pursuant to the *Applicant's* previous *NMTC Allocation Awards* unless such investors are providing new *QEIs* and/or *Commitments* above and beyond the *QEIs* or *Commitments* pertaining to the *Applicant's* previous *NMTC Allocation Awards*.
- 3) If an *Applicant* is receiving *QEIs* from partnership entities (i.e., the *Applicant's* response to Question 51 is "yes"), only list the name of the partnership entities that are directly providing the *QEIs* in Tables E1-2. Provide an identifying name (such as, "To-Be-Formed Leveraged Investment Entity") for the partnership even if it has yet to be formed. The *Applicant* **SHOULD NOT** separately list the underlying investors in the partnership entities in Tables E1-2. The *Applicant* should discuss such upper tier investors in the narrative to Question 51, noting to which partnerships they correspond.

Instructions for Table E1: In Table E1, *Applicants* should list any investors that have provided *Equity Investments* (in accordance with applicable IRS rulings regarding the issuance of *QEIs* prior to notification of an allocation), *Commitments*, or *Letters of Interest/Intent* in connection with a potential *NMTC Allocation*. Only list the name of actual or prospective investors in Table E1. **If an *Applicant* plans to engage an investment banker (or other third party) to raise equity capital on the *Applicant's* behalf, DO NOT INCLUDE such banker organizations in this table.**

Table E1: Identification of Investments and Investor Commitments

	Name of QEI Investor	Type of Investor ¹	Using Leverage Structure?	Unrelated Entity?	Previous Investor? ²	Total Funding Provided from 2002-2006 (if previous investor)	Dollar Amount of NMTC Equity Sought	Status of Request ³	Estimated or Actual Date for Receipt of Funds
1			Yes/No	Yes/No	Yes/No	\$	\$		
2			Yes/No	Yes/No	Yes/No	\$	\$		
3			Yes/No	Yes/No	Yes/No	\$	\$		
4			Yes/No	Yes/No	Yes/No	\$	\$		
5	TOTAL	N/A	N/A	N/A	N/A	\$	\$	N/A	N/A

¹ Individual investor, foundation or other philanthropic organization, pension fund, bank or other regulated financial institution, real estate developer or investment company, venture fund, investment bank, insurance company, utility company, other type of corporate investor, other type of investor.

² A previous investor is any investor that has invested in the *Applicant*, its *Controlling Entity*, or any *Subsidiary* entities since 1999.

³ Funds have been received; investor provided *Commitment*; investor issued *Letter of Interest/Intent*.

Instructions for Table E2: In Table E2, an *Applicant* should list all investors that it intends to approach for *QEIs*, but that have not yet provided investment funds, *Commitments* or *Letters of Interest/Intent*. Investors listed on Table E2 should only appear in Table E2 if the potential investor will be providing equity above and beyond that which is already described in Table E1.

Table E2: Identification of Potential NMTC Investors						
Name of Investor		Type of Investor ¹	Unrelated Entity?	Previous Investor? ²	Total Funding Provided from 2002-2006 (if previous investor)	Total Anticipated NMTC Request to Investor from 2006-2011
1			Yes/No	Yes/No	\$	\$
2			Yes/No	Yes/No	\$	\$
3			Yes/No	Yes/No	\$	\$
4			Yes/No	Yes/No	\$	\$
5	TOTAL	N/A	N/A	N/A	\$	\$

¹ Individual investor, foundation or other philanthropic organization, pension fund, bank or other regulated financial institution, real estate developer or investment company, venture fund, investment bank, insurance company, utility company, other type of corporate investor, other type of investor.

² A previous investor is any investor that has invested in the *Applicant*, its *Controlling Entity*, or any *Subsidiary* entities since 1999.

Instructions for Table E3: Any *Applicant* that has a track record of raising capital from investors must complete Table E3. An *Applicant* must provide information for the past five years or for as many years as the *Applicant* has been in operation if it has been in operation for fewer than five years. An *Applicant* that does not itself have such a track record (i.e., a start up institution) may rely on the track record of its *Controlling Entity*.

Table E3: Track Record of Raising Capital from Investors

This table reflect the activities of (check one):		<u>Applicant</u>		<u>Controlling Entity</u>			
Calendar Year(s)		2002	2003	2004	2005	2006	Total
1	Total # of investments						
2	Total \$ amount of investments	\$	\$	\$	\$	\$	\$
3	Total # of grants ¹						
4	Total \$ amount of grants ²	\$	\$	\$	\$	\$	\$
5	Total # of below market rate loans ¹						
6	Total \$ amount of below market rate loans ²	\$	\$	\$	\$	\$	\$
7	Total # of market rate loans ¹						
8	Total \$ amount of market rate loans ²	\$	\$	\$	\$	\$	\$
9	Total # of <i>Equity Investments</i> ¹						
10	Total \$ amount of <i>Equity Investments</i> ²	\$	\$	\$	\$	\$	\$

¹ Values should be a subset of Line 1.

² Values should be a subset of Line 2.

Exhibit F. Flow of Allocations

Instructions for Table F1: All Applicants must complete Table F1.

TIPs for Exhibit F:

- 1) If the Applicant intends to transfer all or part of its NMTC Allocation to Subsidiaries, the Applicant should combine the activities of the Applicant and its Subsidiaries. Applicants receiving NMTC Allocations may be held to the schedule identified in Table F1 and such requirement will be a term of their Allocation Agreements.
- 2) To the extent the Applicant intends to issue QEIs and originate QLICs in 2006-7 (in accordance with applicable IRS rulings regarding the issuance of QEIs prior to notification of a NMTC Allocation), such QEIs should be reported under activities in 2007.

Table F1: Schedule for Issuing QEIs (Estimated)

Calendar Year (s)		2007	2008	2009	2010	2011	Total
1	Total \$ amount of QEIs to be Issued	\$	\$	\$	\$	\$	\$
	Percent of total NMTC Allocation	%	%	%	%	%	100%

Instructions for Table F2: Table F2 must be completed by any *Applicant* that intends to transfer all or part of its *NMTC Allocation* to its *Subsidiaries* (i.e. Answered “yes” to Question 59).

Table F2: Transfer of Allocations to *Subsidiary* Entities

	Name of Entity	Certified as a CDE?	EIN (if available)	CDE Cert # (if available)	Total QEIs to be Issued by Entity	Anticipated Date of First QEI	Anticipated Date of Final QEI
1	<i>Applicant:</i>	Yes / No			\$		
2	<i>Subsidiary 1:</i>	Yes / No			\$		
3	<i>Subsidiary 2:</i>	Yes / No			\$		
4	<i>Subsidiary 3:</i>	Yes / No			\$		
5	<i>Subsidiary 4:</i>	Yes / No			\$		
6	<i>Subsidiary 5:</i>	Yes / No			\$		
7	TOTAL	N/A	N/A		\$	N/A	N/A

Glossary of Terms

Affiliate	Any legal entity that <i>Controls</i> , is <i>Controlled</i> by, or is under common <i>Control</i> with, the <i>Applicant</i> .
Allocatee	An <i>Applicant</i> that receives a <i>NMTC Allocation</i> .
Allocation Agreement	An agreement to be entered into by the Fund and a <i>CDE</i> , relating to the <i>NMTC Allocation</i> , pursuant to IRC §45D(f) (2).
Applicant	Any legal entity that is applying to the Fund for the receipt of a <i>NMTC Allocation</i> . This term includes any <i>Subsidiary</i> of the <i>applicant</i> , which may receive a transfer of all or part of a <i>NMTC Allocation</i> from the <i>applicant</i> .
Allocation Application	The application form, issued by the Fund pursuant to a <i>Notice of Allocation Availability (NOAA)</i> , to be completed and submitted by an <i>Applicant</i> in order to be considered for a <i>NMTC Allocation</i> .
Assistance Agreement	A written agreement between the Fund and an entity receiving assistance under the <i>CDFI</i> Program and Native American <i>CDFI</i> Development (NACD) Program specifying the terms and conditions of assistance including, without limitation, performance and financial soundness goals, if applicable. See 12 CFR §1805.104(f).
Authorized Representative	An officer, or other individual, who has the actual authority to sign for and make representations on behalf of the <i>Applicant</i> . This person will also be the primary point of contact for the <i>Applicant</i> .
CDE Certification Application	The application form, issued by the Fund, to be completed and submitted by an entity in order to be certified as a <i>CDE</i> .
Commitment	A document in which an investor commits to make an investment in the <i>Applicant</i> in a specified amount and on specified terms.
Community Development Entity (CDE)	Under IRC §45D(c)(1), any domestic corporation or partnership if: <ol style="list-style-type: none"> (1) The primary mission of the entity is serving, or providing investment capital for, <i>Low-Income Communities</i> or <i>Low-Income Persons</i>; (2) The entity maintains accountability to residents of <i>Low-Income Communities</i> through their representation on any governing board of the

	entity or on any advisory board to the entity; and
	(3) The entity is certified by the Fund as a CDE. <i>Specialized Small Business Investment Companies (SSBICs) and Community Development Financial Institutions (CDFIs)</i> are deemed to be CDEs in the manner set forth in Guidance published by the Fund (66 Federal Register 65806, December 20, 2001).
Community Development Financial Institution (CDFI)	An entity that has been certified by the Fund as meeting the criteria set forth in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702). For further details, refer to the CDFI Program regulations set forth at 12 CFR 1805.201.
Community Investment Impact System (CIIS)	A web-based data collection system that CDFIs and CDES will use to submit their Institution-Level Reports and Transaction-Level Reports to the Fund.
Control	Control is defined as: <ul style="list-style-type: none"> (1) Ownership, control, or power to vote more than 50 percent of the outstanding shares of any class of voting securities of any entity, directly or indirectly or acting through one or more other persons; (2) Control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) of any other entity; or (3) Power to exercise, directly or indirectly, a controlling influence over the management policies or investment decisions of another entity, as determined by the Fund.
Controlling Entity	An entity that Controls an <i>Applicant</i> .
Disadvantaged Business	A business that is (a) located in a <i>Low-Income Community</i> ; or (b) is owned by a <i>Low-Income Person</i> ; or (c) a business that has inadequate access to investment capital.
Disadvantaged Community	This term has the same meaning as a <i>Low-Income Community</i> .
Equity Equivalent Loan	A loan that has certain equity-like provisions, including required principal and interest payments only from cash flow and a flexible maturity date. Note that the definition of this term under the <i>CDFI Program</i> and <i>NMTC Program</i> is more flexible than the definition of the same term under the <i>Bank Enterprise Award (BEA) Program</i> .
Equity Investment	Under IRC §45D(b)(6) and the NMTC Program Income Tax

	<p><i>Regulations</i>, Equity Investment means any stock (other than nonqualified preferred stock as defined in IRC §351(g)(2)) in an entity that is a corporation and any capital interest in an entity that is a partnership.</p>
Financial Counseling and Other Services	Advice provided by a <i>CDE</i> relating to the organization or operation of a trade or business. See 26 CFR 1.45D-1(d)(7).
Gulf Opportunity Zone	“Gulf Opportunity Zone” or “GO Zone” shall mean that portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina. The Hurricane Katrina disaster area is an area with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of the Gulf Opportunity Zone Act of 2005 (Pub. L. 109-135) by reason of Hurricane Katrina.
High Migration Rural County	Any county which, during the 20 year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period. See IRC §45D(e)(5).
Letter of Interest/Intent	A document in which an investor expresses a preliminary interest in making an investment in the <i>Applicant</i> .
Low-Income Community	<p>Under IRC §45D(e)(1), any population census tract if:</p> <ol style="list-style-type: none"> (1) The poverty rate for such tract is at least 20 percent, or (2) (a) In the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or (b) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income. <p>With respect to IRC §45D(e)(1)(B), possession-wide median family income shall be used (in lieu of statewide income) in assessing the status of census tracts located within a possession of the United States.</p> <p>Under IRC §45D(e)(2), <i>Targeted Populations</i> will also be treated as <i>Low-Income Communities</i>. See IRS Notice 2006-60.</p> <p>Under IRC §45D(e)(3), in the case of an area that is not</p>

	<p>tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of determining poverty areas) shall be used for purposes of defining poverty rates and median family incomes. See IRC §45D(e) for additional criteria.</p>
Low-Income Person	<p>Any individual having an income, adjusted for family size, of not more than:</p> <ol style="list-style-type: none"> (1) For metropolitan areas, 80 percent of the area median family income; and (2) For non-metropolitan areas, the greater of (a) 80 percent of the area median family income or (b) 80 percent of the statewide non-metropolitan area median family income.
Minority-Owned or Controlled	<p>A business that is more than 50% owned or controlled by one or more persons who are members of minority ethnic group. If the business is a for-profit concern, more than 50% of its owners must be minorities; if the business is a non-profit concern, more than 50% of its board of directors must be minorities (or its Chief Executive Officer, Executive Director, General Partner or Managing Member must be a minority).</p>
New Markets Venture Capital Company (NMVCC)	<p>An entity designated as a NMVCC by the Small Business Administration under the New Markets Venture Capital Company Program. See 13 CFR 108.10 for more information.</p>
Notice of Allocation	<p>Notification to the <i>Allocatee</i> from the Fund which informs the <i>Allocatee</i> of its receipt of a <i>NMTC Allocation</i> subject to the terms and conditions set forth in the notice (see applicable <i>NOAA</i>).</p>
Notice of Allocation Availability (NOAA)	<p>A document published by the Fund in the <u>Federal Register</u> that provides specific guidance on how a <i>CDE</i> may apply for a <i>NMTC Allocation</i>, the competitive procedure through which such allocations will be made, and the actions that will be taken by the Fund to ensure that proper allocations are made to appropriate entities. The <i>NOAA</i> published in conjunction with the 2006 <i>Allocation Application</i> will only apply to the 2006 allocation year.</p>
NMTC Allocation	<p>An allocation of tax credit authority pursuant to the New Markets Tax Credit Program.</p>
NMTC Program Income Tax Regulations	<p>The regulations promulgated by the Internal Revenue Service which provide guidance for taxpayers claiming the New Markets Tax Credit under IRC §45D. See 26 CFR 1.45D-1 for more information.</p>

<p>Postmark</p>	<p>As defined by 26 CFR 301.7502-1. In general, the Fund will require a postmark date that is on or before the applicable deadline. The document must be in an envelope or other appropriate wrapper, properly addressed and deposited in the U.S. mail. The document may be 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</p>
<p>Qualified Active Low-Income Community Business (QALICB)</p>	<p>Under IRC §45D(d)(2), any corporation (including a non-profit corporation) or partnership if for any taxable year:</p> <ol style="list-style-type: none"> (1) At least 50 percent of total gross income of such entity is derived from the active conduct of a qualified business within any <i>Low-Income Community</i>; (2) A substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any <i>Low-Income Community</i>; (3) A substantial portion of the services performed for such entity by its employees are performed in any <i>Low-Income Community</i>; (4) Less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in IRC §408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business; and (5) Less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in IRC §1397C(e)). <p>Please refer to the NMTC Program Income Tax Regulations at 26 CFR 1.45D-1(d)(4) for more information.</p>
<p>Qualified Equity Investment (QEI)</p>	<p>Under IRC §45D(b)(1), any <i>Equity Investment</i> in a <i>CDE</i> if:</p> <ol style="list-style-type: none"> (1) Such investment is acquired by the investor at its original issue (directly or through an underwriter) solely in exchange for cash; (2) Substantially all of such cash is used by the <i>CDE</i> to make <i>QLICs</i>; and (3) The investment is designated for purposes of IRC §45D by the <i>CDE</i> as a QEI. QEI also includes an <i>Equity Investment</i> purchased from a prior holder, to the extent provided in IRC §45D(b)(4). <p>QEI does not include any <i>Equity Investment</i> issued by a <i>CDE</i> more than five years after the date the <i>CDE</i> receives</p>

	a <i>NMTC Allocation</i> . Please refer to the NMTC Program Income Tax Regulations at 26 CFR 1.45D-1(c) and related Internal Revenue Service notices for more information.
Qualified Low-Income Community Investments (QLICI)	<p>Under IRC §45D(d)(1), a <i>QLICI</i> is:</p> <ol style="list-style-type: none"> (1) Any capital or <i>Equity Investment</i> in, or loan to, any <i>QALICB</i> (as defined in IRC§45D(d)(2)); (2) The purchase from a <i>CDE</i> of any loan made by such entity that is a <i>QLICI</i>; (3) <i>Financial Counseling and Other Services</i> to businesses located in, and residents of, <i>Low-Income Communities</i>; and (4) Any <i>Equity Investment</i> in, or loan to, any <i>CDE</i>. <p>Please refer to the NMTC Program Income Tax Regulations at 26 CFR 1.45D-1(d)(1) for more information.</p>
Small Business Investment Company (SBIC)	An entity defined in 15 USC 662(3).
Specialized Small Business Investment Company (SSBIC)	An entity defined in IRC §1044(c)(3).
Subsidiary	Any legal entity that is owned or <i>Controlled</i> directly or indirectly by an <i>Applicant</i> . This term includes series funds, which are separate investment funds <i>Controlled</i> by an <i>Applicant</i> .
Targeted Population	As defined in 12 U.S.C. 4702(20) and 12 C.F.R. 1805.201, the term “targeted population” means individuals, or an identifiable group of individuals, including an Indian Tribe, who (A) are <i>Low-Income Persons</i> ; or (B) otherwise lack adequate access to loans or investments.
Unrelated	Persons who are not related within the meaning of IRC §267(b) or IRC §707(b)(1).