

Author	Topic	Sub-Topic	Q(s) #	Comments	Resolution
Cornerstone Group	Burden	Time		The amount of time required to effectively and thoroughly complete the Application far exceeds the 175 hours estimated by the Fund.	Comment not accepted. The time to complete estimate is based on the median of the self-reported completion times from the previous year's applicants. <u>This number has actually been reduced to 170 hours for the 2007 application</u> , as this was the median of the response times
Costal Enterprises Inc.	Burden	Time		The Application process requires a very large effort requiring substantially more staff time and thirds-party cost than may be necessary.	No action necessary. The commentator is making an observation, not suggesting a specific change. The application is necessarily rigorous -- as it must be in a program where applicants can apply for awards as large as \$150 million. Nonetheless, the CDFI Fund engages a process after each allocation application round to review the entire application, and makes every effort possible to limit the length of the application and the effort required to just what is minimally required. Additionally, the CDFI Fund has
Opportunity Finance Network	Enhance Info Collected	Accountability of boards improvement		Putting teeth into the "accountability" requirements for Boards and Advisory Boards of community development entities (CDE)s	No action necessary. The commentator is referring to requirement contained in the CDE certification application, not the Allocation Application. That being said, there is already a question (#41) in the management capacity section solely dedicated to the accountability of the Applicant CDEs to the communities in
Costal Enterprises Inc.	Enhance Info Collected	Change to Section Structure		An executive summary in each of the four major Application sections would be helpful to applicants to have an opportunity to present their over all plan and useful to reviewers to have a context for the details provided in <u>the remaining questions.</u>	Comment partially accepted. While the CDFI Fund deemed a narrative executive summary at the beginning of each major section generally redundant and unnecessary, the CDFI Fund did agree that it would be useful to <u>include an executive summary in</u>
Cornerstone Group	Enhance Info Collected	Charts		The online charts are excessively time consuming. It would be more efficient to permit the uploading of Excel charts.	Comment not accepted. While allowing Applicant's to upload charts could be slightly (though not significantly) more time efficient for the applicant, it would make it difficult if not impossible to automatically validate the format and the accuracy of such data across the various tables. It
Novogradac	Enhance Info Collected	Clarification of existing question	Q26	One of the sub-sections of Q. 26 inquires about an applicant's intention to reinvest interest, dividends, or other profits received from QEI proceeds. We request clarification as to what interest, dividends or other profits the Fund is referring to. Is the questions referring to interest income earned on QEIs invested in the applicant that have yet to be deployed as a QLICI? or is	Comment accepted. Changed "QEI proceeds" to "QLICI" in old Q26, which is now Q25.

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Cornerstone Group	Enhance Info Collected	Discrepancies between on-line and hardcopy	Q14	The formatting of question 14 differed between the "hardcopy" and the actual online application. For instance, the hardcopy requested the selection of all descriptions that apply, but the	No action necessary. The commentator description of the formatting of Q14 is incorrect. Q14 in both the hardcopy and online versions of the Application the instruction is to choose only
Costal Enterprises Inc.	Enhance Info Collected	Discrepancies between on-line and hardcopy		There are many questions that have information requested that is not obvious until a potential applicant can use a live application that allows for "click-through" to test to see if any additional parts of the question are then revealed.	No action necessary. The commentator is making an observation, not suggesting a specific change. This online application is structured this way to show each Applicant only the questions it must answer, and that way not burdening and confusing Applicants with wading through questions they do not need to answer. The CDFI Fund makes every effort to minimize the time between the release of the paper and online versions of the Application, but a gap is sometimes unavoidable
Novogradac & Coastal Enterprises Inc.	Enhance Info Collected	Formating	Q18(b)	We believe that requiring the applicant to indicate how each borrower will qualify for each feature is not practical and is burdensome as it assumes or implies that there is a specific criterion in place for each loan term. We request the Fund to	Comment not accepted. The CDFI Fund has found through past experience, that it must require distinct narratives for each specific flexible or non-traditional product or feature to elicit full and comprehensive narrative discussion for each
Costal Enterprises Inc.	Enhance Info Collected	Formating	Q26	It would be very helpful if applicants had the ability to input the representative projects into either a chart format or use an Excel spreadsheet. This would make this critical portion much easier and faster as well as more readable for the reviewers.	Comment not accepted. In prior applications, the CDFI Fund provided a table for Applicants, that had indicated a general pipeline of transactions in Q23, to input their potential transactions. However, the CDFI Fund eliminated that Table, as it found that data in that format not very useful (applicants tended to
Costal Enterprises Inc.	Enhance Info Collected	Formating	Q44	It would be very helpful for previous NMTC awardees if there was some way to link the data in the CDFI's existing database to the application so that such data as the individual project Award Control Numbers	TBD. The CDFI Fund will investigate the technical and security feasibility of providing this feature with the 2007 Application.
Costal Enterprises Inc.	Enhance Info Collected	Formating	Qs 17 & 18	We suggest combining the questions into just one, since they are somewhat redundant with one another. We recommend that Q 17 be worded so that the information requests in Q18 can be easily outlined and incorporated in just one part.	Comment partially accepted. As outlined in the response to the comments regarding Q18(b) specifically, the CDFI Fund has deemed it important to require Applicant's to provide distinct and unique narrative discussions of each product and product feature. However, Q17 (Q15 in the 2007 Application) will be modified to clearly request that the Applicant provide a response in the form of an executive summary, and to not repeat there information that is requested and
Cornerstone Group	Enhance Info Collected	Formating		The online application should allow bold, underline, italics, etc.	TBD. The CDFI Fund will investigate the technical feasibility of providing this feature with the 2007 Application.

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Novogradac	Enhance Info Collected	Investor Leverage Model	Q50	If an applicant checks yes to Q.50 in the application, only the investment partnership that will directly provide the QEIs to the applicant are to be listed in Table E1, even if it is a to be formed entity. Our concern is if an entity does not exist, how can it be required to issue a commitment letter? We recommend that the Fund modify the requirement so that investors and lenders would provide their commitment letter to the applicant and indicate in the commitment letter that the investor/lender understood that the applicant was applying for an	Comment partially accepted. The CDFI Fund already requires Applicant's to attach letters from the upper-tier investors in a leveraged investment partnership. Obviously, the CDFI Fund understands that an unformed entity cannot issue letters, and does not require it. The CDFI Fund requires that the Applicant not enter these upper-tier investors on Table E1, but rather discuss them in detail in Q50 (Q49 in the 2007 Application). The CDFI Fund will modify the language in the TIPs to Q49 and Table E1 to more
Costal Enterprises Inc.	Enhance Info Collected	New Criteria - All Sections		Each section should ask for specific data related to any such applicants' previous NMTC experience, so reviewers could then take into account the applicant's previous NMTC track record. This would allow an applicant to show how an additional award will enhance its program capacity, in-place org infrastructure, and existing	Comment not accepted. The commenter did not provide a compelling argument for changing the way the CDFI Fund asks for information regarding Applicant NMTC track records. The 2007 Application has, as have its predecessors, questions in each sections that ask for information regarding Application track records, and for prior
Costal Enterprises Inc.	Enhance Info Collected	New Criteria - Business Strategy & Community Impact		NMTC community development In the Strategy and Impact sections, consider a place to discuss beneficial impacts derived from the NMTC by allocatees that underwrite projects in a way that assesses environmental sustainability	allocatee's is it appropriate and Comment accepted. The CDFI Fund has added an item in Q33(a) for Applicant's to specifically indicate if they propose to "create environmentally sustainable outcomes".
Opportunity Finance Network & Novogradac	Enhance Info Collected	New Criteria - Business Strategy		The CDE has a track record of putting its own capital at risk in the market in which it would use a NMTC Allocation, or a similar market. Using this criterion would help measure an applicant's CDE commitment to bringing capital to qualified	No action necessary. There is already ample opportunity in the Application to discuss the Applicant track records of putting their own capital at risk. No action or response required.
Opportunity Finance Network	Enhance Info Collected	New Criteria - Business Strategy		The CDE has a track record of "trailblazing" projects that are the first to bring new investment into opportunities that other miss and would likely use its NMTC allocation for the same kinds of projects. This criterion would allocate NMTCs to CDEs that	No action necessary. There is already ample opportunity in the Application to discuss, and get credit for, Applicant track records of "trailblazing" in Q20(c) and Q21(c). No action or response required.
Costal Enterprises Inc.	Enhance Info Collected	New Criteria - Capitalization Strategy	Q56	We suggest that a more meaningful question for the CDFI fund and application reviewers might be worded along the lines of "How are Applicant's fees and fee structure facilitating the maximization of the positive	Comment accepted. The CDFI Fund has added a sub-question bullet point to illicit this information in Q56 (Q55 in the 2007 Application).

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Costal Enterprises Inc.	Enhance Info Collected	New Criteria - Community Impact	Q29	We believe the limitation for QALICBs to actually become SBA HUB Zone-certified should be dropped and additional criteria addressing the need soft rural areas should be added.	Comment partially accepted. The CDFI Fund is not re-introducing SBA Hub Zones as an item on the Q29. This was included in the early rounds of the program, but this designation was not sufficiently narrow to limit it to areas of higher distress. Instead, in an effort to target
Costal Enterprises Inc.	Enhance Info Collected	New Criteria - Community Impact	Q33	We suggest that this section be worded to allow for more qualitative indicators that often tell more about the real-world impacts than the numbers might represent.	No action necessary. There is already plenty of room in Q33 to discuss impacts in qualitative terms. The question specifically asks the Applicant to also be sure to include quantification of the impacts. Without such instruction, Applicant's tend to
Costal Enterprises Inc.	Enhance Info Collected	New Criteria - Community Impact	Q54	We suggest adding a bullet that asks for information on the qualitative economic benefits shared amongst the various entities noted.	No action necessary. The question is fundamentally a quantitative question. There is opportunity to discuss qualitative economic benefits in the Community Impact section. No
Opportunity Finance Network	Enhance Info Collected	New Criteria - Community Impact		Awarding "priority points" in the community impact section of the application to CDEs with a strong focus on and track record of stimulating new investment.	Comment not accepted. The CDFI Fund only provides priority points for two areas: track record of serving disadvantaged businesses and communities; and commitment for making investments in unrelated entities. Both of these are mandated by statute. The CDFI Fund has chosen not to include extra-statutory priority points. That
Opportunity Finance Network	Enhance Info Collected	New Criteria - Community Impact		The CDE's projects would create jobs to be filled by residents of the low-income community and/or provide space for locally-owned, minority or women owned businesses or nonprofit tenants, demonstrating true	being said, Q49 in the No action necessary. Q33 in the Community Impact section already asks and evaluates these questions. No action or response required.
Novogradac	Enhance Info Collected	New Criteria - Priority Points		We also believe the amount of priority points given for the statutory preferences in IRC 45D (f)(2) are too high compared with the total points in the Business strategy section. We recommend that the points be lowered to 5 total for applicants that satisfy either statutory preference rather than 5 points each.	Comment not accepted. The commenter appears to not fully understand the Allocation Application scoring. The Priority Points are not a part of the Business Strategy section, thus the total points of priority points relative to the total point of the Business Strategy section is irrelevant. For final ranking of applications purposes, only half of the total Priority Points are added to the Business Strategy and Community Impact section scores, thus seemingly mitigating the commenter's concern. Additionally, because the

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Novogradac	Enhance Info Collected	Redundancy among application questions	Qs 9, 32, 33 & 57	We believe that the following questions are redundant and could be combined or removed: Q. 9 and 57 ask for the same information about the Applicant's intention to transfer any portion of its NMTC allocation to one or more subsidiary entities. Q. 32 and Q. 33 Economic Impacts: the second bullet point of Q. 32 and Q. 33(a) appear to be asking the	Comment partially accepted. The CDFI Fund concurs that Q9 and Q57 are redundant and has eliminated Q9 for the 2007 Application. The second bullet point from Q32 and Q33(a), however, are quite different. Q32 asks the Applicant to discuss ALL job creation/retention resulting from its NMTC activities, while Q33(a)
Novogradac	Enhance Info Collected	Revise predom. financing activity categories	Q14	same info about quantifying the We believe the choices given for the Applicant to indicate its predominant financing activity are limiting and don't fit every business category. We recommend the Fund add an activity listed as other that the applicant can clarify if it has an	Comment partially accepted. asks specifically what subset of The CDFI Fund holds that by limiting the number and specificity of categories in Q12 it obtains, while more generalized, a more useful, meaningful and comparable data set. However, the CDFI Fund did add one sub-
Costal Enterprises Inc.	Enhance Info Collected	Targeted Populations	Q22'c	We feel it is essential to capture the true original intent and mission of the NMTC program to include "Disadvantage People" in	No action necessary. This comment pertains to the Targeted Populations regulations, and related
Costal Enterprises Inc.	Enhance Info Collected	Targeted Populations		the target entities being served General suggestion: Make sure the program elements targeting areas of higher distress are compatible with the targeted populations rules. This may mean that the targeted populations provisions should be	Comment accepted. An item for Targeted Populations has been added to the list of areas of higher distress in Q29.
Novogradac	Enhance Info Collected	Track Record - Exhibit A	Qs 22, 23 & Exhibit A	Q. 22 and Q. 23 We recommend that the CDFI Fund allow applicants that do not have a track record of QLICI activities to complete Exhibit A for their loans or equity investments that would not qualify as QLICI but are similar to the proposed NMTC activities. We also recommend allowing applicants to complete the tables in Exhibit A for which the applicant had not directly made equity investments or originated loans themselves. We further recommend the table be modified to include an additional	Comment not accepted. To limit confusion and obtain the clearest responses to Applicant track record questions, the CDFI Fund specifically limited the data entered into Exhibit A to QLICI type activities, and direct all other track record activities to be described and discussed in the narrative to Q23 (Q21 in the 2007 Application). The CDFI Fund has also been very clear that just because an Applicant is unable to enter data in Exhibit A, it can still receive an excellent score for its track record
Opportunity Finance Network	N/A	"Mission Driven" Organization definition		The Fund's public relations and allocatee materials should not include municipal organizations as "mission driven" along with CDFIs and related entities, as public and municipal CDEs have distinctly different goals and accountabilities.	No action necessary. This comment is a policy issue and not an application issue. But that being said, the Fund does separately release data on the municipal organizations, so that any party interested in separating that information from the general

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Costal Enterprises Inc.	N/A	% of QEIS in QLICs		We favor changing the 85% rule provisions to allow for expanded reserves and allowances for debt repayment in the case of QLICs in small and medium enterprises as a way of stimulating the use of the NMTC program for the needs or such small and medium ventures. Specifically, we believe the 85% rule should be lowered to 65% in this area (small and medium enterprise loans or investments only). In all cases, we recommend disconnecting the subject of	Comment partially accepted. The first comment (changing the 85% rule) relates to the IRS regulations, not the CDFI Funds' application. The CDFI Fund concurs with the second comment (regarding initial placement of capital), and though not relevant to the application, this point will be conveyed in the companion guidance document to the Allocation Agreement.
Kitsap County NMTC Facilitators	N/A	CIIS and TLR		We would like to suggest that the Agency fill in information contained in the prior year's CIIS report so that the CDE does not have to re-answer all the questions. Also, it would be helpful if the TLR program were	No action necessary. This comment is a CIIS/TLR issue and not an application issue. No action or response is required.
Novogradac	N/A	Clarification of existing question	Q55	It is unclear whether an applicant is required to meet the % of QEIs it designated in Q. 55 for future reinvestment of QLICs. For example, if an applicant's designated percent in 100, to require the applicant to reinvest 100 of any return of capital is unnecessarily burdensome and may not be possible depending on the amount and the types of available investments. This requirement if causing transactions that require amortization of a loan to be infeasible and preventing viable transactions from closing. We recommend that if an applicant	Comment accepted. Though not an application issue as much as an Allocation Agreement issue, the CDFI Fund concurs and will update the companion Q&A document to reflect this position.
Novogradac	N/A	Common Enterprise		We suggest changing the wording of the applicable paragraphs in the NOAA and in Q&A to the following: "This prohibition, however, will not apply when an investor: (I) makes QEIs in one or more Allocatees (or Subsidiary allocatees) from the same allocation round or any prior rounds; (ii) was not an Affiliate of, or a member of a common enterprise with, any of the Allocatees (or Subsidiary Allocatees) prior to making the QEIs except if said status arises solely from making or having	TBD. This comment is an issue that will be taken under advisement as the 2007 NOAA is drafted.

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Novogradac	N/A	Controlling Entity information	Qs 3, 25 & 30	Q. 3, Q. 30, and Q. 25 we recommend that the NMTC Allocation Application provide for either management or investment control, not both, consistent with the 2005 Allocation Agreement Q&A. In addition, the requirement that the Controlling Entity currently control the Applicant retroactively	Comment not accepted. The CDFI Fund had to tighten its rules when it learned that some organizations had identified "Controlling Entities" that only had nominal or cursory controls over their operations.
Novogradac	N/A	Investments in unrelated businesses	Q28	imposes a requirement on Q.28 We recommend that the related entity test be performed before the CDE makes its initial related party equity QLICI in a QALICB. We would like to further clarify that by before we mean before the initial QLICI is made but after the QEI investor	TBD. This is not an application issue, per se. It is an interpretation issue. The CDFI Fund will continue to take this under advisement and will provide any re-interpretation of this provision in the companion Q&A document that accompanies the
Novogradac	N/A	Scoring and Debriefing letters		We believe that the Fund should provide more detailed information related to the scoring process and its preferences in the Application or NAA. We recommend a debriefing letter that includes the score received for each section and overall	No action necessary. This comment is a debriefing issue, not an application issue.
Kitsap County NMTC Facilitators	N/A	TLR		Allow the CDE to attach a Word document, or allow the CDE to inset comments into the TLR	No action necessary. This comment is a CIIS issue, not an application issue.
Kitsap County NMTC Facilitators	N/A	TLR Reporting Cost		regarding the impact of the The cost of operation required to provide the information requested by the Fund per NMTC project of \$500. If recommendations are implemented then we estimate	No action necessary. This comment is a CIIS/TLR issue and not an application issue. No action or response is required.
Costal Enterprises Inc.	Necessity of Info	Elimination of Question	Q59	We suggest that this question be eliminated. If the CDFI Fund is interested in funding an allocatee, the best practice would appear to be to contact the potential applicant to negotiate a different amount.	Comment not accepted. The CDFI Fund deems this to be a useful question and reasonable question. Applicant's should have a strong understanding of their proposed NMTC program, such that they would know at what level it becomes economically or otherwise
Cornerstone Group	Necessity of Info	Impact Projection Methodologies and Assumptions	Qs 31, 32, 33	Certain questions on the Application require information that is not truly calculable, and require significant guesswork. Community Impact Section Q 31-33 require methodology and assumptions used to determine the fields. While important, the lack of definitive standard invites pipe dreaming and puffery. [Chris - the respondent doesn't seem to understand that we are looking not for specific pre-determined "methodologies and assumptions", but rather, we	No action necessary. The respondent doesn't appear to fully understand the Community Impact questions 31-33. While calculating community impacts can be challenging and somewhat inexact (requiring some estimation), the CDFI Fund deems it critical that Applicant's make an effort to describe and quantify their proposed community impacts. Specific pre-determined methodologies and assumptions are not required, but rather the CDFI

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Novogradac	Necessity of Info	Impact Projection Methodologies and Assumptions	Qs 31, 32, 33	We recommend that the Fund identify acceptable standards for calculating community impact. These standards would help Applicants more properly calculate the community impact and the Fund would receive applications with more comparable calculations.	Comment not accepted. The diversity of business strategies, product types, and geographies make it impossible to proscribe a common set of methodologies and assumptions for calculating community impacts. The methodologies and assumptions used for calculating community impacts are not compared across applications, but rather
Cornerstone Group	Solutions to Burden	Submission Process		On the deadline due to the influx of applications, please embed in the process a waiver- or exception- for the period of time that the applicant is unable to access due to the technical glitches such as overloaded	methodologies and assumptions No action necessary. The CDFI Fund already has in place a process for examining late application submissions for technical issues. That being said, applicants are also warned in several places not to wait until