



**Community  
Development  
Financial  
Institutions  
Fund**

NMTC Program

New Markets Tax Credit  
Allocation Application

**20089 Application**

OMB Approval No. 1559-0016

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 170 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 2008~~9~~ 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](http://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 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 March 3, 2009, February 6, 2008**. The *CDE Certification Application* is available on the Fund's website at [www.cdfifund.gov](http://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 2008~~9~~ 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 March 3, 2009, February 6, 2008**.

**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](http://www.cdfifund.gov).

**TIP:** The term "*Postmarked*," as used throughout this document, is defined by 26 CFR 301. 7502-1-~~14~~. 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 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.
- 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.
- 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 certain areas 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 be addressed in the Management Capacity section.
- The term *Applicant* refers to the *CDE* applying for a *NMTC Allocation* as well as 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.
- Be sure to keep each narrative brief. Please note that each narrative text response has a maximum character length of ~~either 2,000, 3,000 characters~~ 5,000 or 10,000 characters (which, depending on font size, ~~will range from is about 1/3 of a page~~ to about 2 pages) ~~or 10,000 characters (which, depending on font size, is about 2 pages)~~. These character maximums include spaces, punctuation, and special characters. All text that exceeds the maximum set for a narrative text response (which is noted at the end of each question) will be truncated at the character limit.

### DO NOT SUBMIT THIS ALLOCATION APPLICATION

- Use 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*. *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](http://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](mailto: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 April 8, 2009** ~~March 5, 2008~~. Complete instructions regarding the electronic submission requirements will be posted on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov) when the online *Allocation Application* is made available.
- 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 E1 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. The signature page and applicable attachments must be sent to BPD, **Postmarked no later than ~~April 10, 2009~~March 7, 2008**. All documents must be submitted by mail to:

Bureau of Public Debt  
 CDFI Grants Management  
 ATTN: NMTC Program  
 200 Third Street, A2-G  
 Parkersburg, WV 26106  
 Phone: (304) 480 - 6088 (to be used for shipping labels for overnight delivery services)

If a signature page 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 13<sup>th</sup> Street, NW, Suite 200 South, Washington, DC 20005, by e-mail at [cdfihelp@cdfi.treas.gov](mailto: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](http://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](mailto: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 ~~March 31, 2008~~ **April 6, 2009**. The Fund will not respond to phone calls or emails concerning the *Allocation Application* that are received after 5:00 pm, Eastern Time, on ~~March 31~~ **April 6, 2009** ~~March 3, 2008~~, until after the *Allocation Application* deadline of April 8, 2009 ~~March 5, 2008~~.

## 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](http://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*

Total dollar amount of *NMTC Allocation* requested in this *Allocation Application*:

\$ \_\_\_\_\_

2. *Applicant Information*<sup>1</sup>:

(a) *Applicant Name*: \_\_\_\_\_

(b) *Applicant Employer Identification Number*: \_\_\_\_\_

(c) Structure of the *Applicant* (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-Controlled 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>Minority-owned or Controlled</i>  |
| <input type="checkbox"/> <i>Certified CDFI</i>                                | <input type="checkbox"/> Tribal Entity                        |
|                                                                               | <input type="checkbox"/> Thrift, Bank or Bank Holding Company |
|                                                                               | <input type="checkbox"/> Real Estate Development Company      |

(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 20082009 round? (check one):  Yes  No

<sup>1</sup> For the purposes of Questions #2-7 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*.

**TIP:** The answer to question 2(h) 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](http://www.cdfifund.gov). If you have questions about whether two entities are affiliated, you should contact the Fund well in advance of the 20089 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 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.

Is the *Applicant* designating a *Controlling Entity*?  Yes  No

(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>Minority-owned or Controlled</i>  |
| <input type="checkbox"/> Certified <i>CDFI</i>                                | <input type="checkbox"/> Tribal Entity                        |
|                                                                               | <input type="checkbox"/> Thrift, Bank or Bank Holding Company |
|                                                                               | <input type="checkbox"/> Real Estate Development Company      |

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

4. *Applicant Mailing Information:*

Mailing address (provide nine-digit zip code):

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

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5. *Authorized Representative Information:*

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

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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*:

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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 March 3, 2009 ~~February 6, 2008~~ to be considered for a *NMTC Allocation* in the 2008~~9~~ round. The *CDE Certification Application* is available on the Fund's website at [www.cdfifund.gov](http://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 March 3, 2009** ~~February 6, 2008~~.



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. (Maximum Response Length: 32,000 characters)

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(b) Briefly describe how the *Applicant* will utilize its *NMTC Allocation* to enhance or improve its current activities. Suggested length 4-5 sentences. (Maximum Response Length: 23,000 characters)

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**TIP:** For Question 8b, 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](http://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, D.C. or Philadelphia metropolitan areas) should check "Multi-state 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 (Counties in metropolitan area with a population equal to or greater than 1 million, including both central city and surrounding suburbs)

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

% *Non-metropolitan counties*

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

Business financing

Financial Counseling and Other Services

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

Retail

Office Space

Industrial/Manufacturing

For-sale housing

Community Facilities

Mixed-use (housing, commercial, or retail)

Hospitality/Tourism

Financing of other *CDEs*

Loan purchase from other *CDEs*

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. **In the electronic on-line application form, you will not be able to answer this question until all other application questions are complete.**

By signing this *Allocation Application*, the *Applicant* makes the Assurances and Certifications, set forth in the Assurances and Certifications (pages vi-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.

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.

Notwithstanding the above, loans or investments made to special purpose entities that are principally owned by a non-real estate *QALICB*, and that were set up specifically to lease property back to the *QALICB* such that the *QALICB* is the principal user of the property, may be classified as either a “real estate *QALICB*” or a “non-real estate *QALICB*”, at the discretion of the *CDE*.

**TIP:** An *Applicant* will score well under the Products, Services, and Investment Criteria sub-section 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.

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)

15. Provide an executive summary of the *Applicant's* overall business strategy for use of its *NMTC Allocation*. Be sure to provide the following: (Maximum Response Length: 10,000 characters)

- 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 Questions #16 and #17.

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):

- 1.  Equity Investments
- 2.  Equity Equivalent terms and conditions
- 3.  Debt with equity features (e.g., debt with royalties; debt with warrants; convertible debt)
- 4.  Subordinated debt
- 5.  Below market interest rates
- 6.  Lower than standard origination fees
- 7.  Longer than standard period of interest-only loan payments
- 8.  Higher than standard loan to value ratio
- 9.  Longer than standard amortization period
- 10.  More flexible borrower credit standards
- 11.  Non-traditional forms of collateral
- 12.  Lower than standard debt service coverage ratio
- 13.  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 explain how these rates and terms compare with what is typically offered by the *Applicant* and typically offered in the marketplace. (Maximum Response Length: 32,000 characters)

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(c) For an *Applicant* that indicated under Question 14c 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. (Maximum Response Length: 2,000 characters)

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**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 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. **An *Applicant* that checks one of the options a-d in Question #17 above should be aware that this commitment will be a condition of its Allocation Agreement with the CDFI Fund.**

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

- (a) 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: (Maximum Response Length: 2,000 characters)

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**TIP:** An *Applicant* purchasing loans from other CDEs generally will not score favorably in the Business Strategy section unless it indicates, in Question #18a, 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 #18a, 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*.**

- (b) 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*. (Maximum Response Length: 2,000 characters)

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## 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 #19 and #20 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*.

19. Does the *Applicant*, or its *Controlling Entity*, have a track record of financing or otherwise facilitating the types of *QLICI* activities checked in Question #14?

\_\_\_\_ Yes (complete Questions #19(a)-(c))                      \_\_\_\_ No

**TIP:** The *Applicant* may reference, in the Tables in Exhibit A and in the narrative in Question #19, loans or *Equity Investments* that the *Applicant* (or its *Controlling Entity*) has itself originated and for which it has capital at risk; as well as any other activities (e.g., loan packaging; project development) in which the *Applicant* or its *Controlling Entity* may have participated.

- (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 #19b, 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. **Be as specific as possible with respect to which activities were undertaken by the Applicant, as opposed to its Controlling Entity or other Affiliates.** This narrative must also include a discussion of the delinquency/default rates over the past five years for each major product line, in comparison to a stated industry average for the *Applicant's* peer group. (Maximum Response Length: 10,000 characters)

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(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*: (Maximum Response Length: 53,000 characters)

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20. 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) 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: (Maximum Response Length: 53,000 characters)

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(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*: (Maximum Response Length: 53,000 characters)

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### 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.

21. Complete Tables B1-B5, 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 #22)
- Support a discrete number of *QLICIs* that have already been identified (must be listed in Question #22)
- Support a general pipeline of *QLICIs* that may or may not have been identified at the time of submission of this *Application*

22. If the *Applicant* identified in Question #21 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 21 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	Total Project Cost \$	Amount of NMTC Financing \$	Projected Closing Date	Address <sup>1</sup>	Census Tract
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>			

<sup>1</sup>Provide 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 (including total project cost and NMTC financing) and completion, and the risks that may preclude the project from being completed within the timeframes identified: (Maximum Response Length: 10,000 characters)

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23. If the *Applicant* identified in Question #21 that it intends to support a general pipeline of activities that may or may not yet be identified, provide narrative below to describe: (Maximum Response Length: 10,000 characters)

- 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 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. Be sure to indicate the total project cost and provide an estimate of the amount of QLICI investment for each transaction;
  - 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 QLICIs into additional QLICIs, and the timeline for doing so.
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24. Indicate whether the *Applicant* intends to use its *NMTC Allocation* to achieve either of the following. Check each 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: (Maximum Response Length: 53,000 characters)

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\_\_\_\_ (b) **Undertake activities of greater financial risk.** Describe and quantify additional financial risk associated with the proposed projects/pipeline to be undertaken with a *NMTC Allocation*. Be sure to compare the risk of the *Applicant's* proposed projects/pipeline compared to the *Applicant's* (or its *Controlling Entity's*) financing activities that have not involved a *NMTC Allocation*. You may use examples of a past project and/or a proposed project to illustrate how the *Applicant* will use a *NMTC Allocation* to finance projects with greater financial risk: (Maximum Response Length: 53,000 characters)

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## D. Non-Metropolitan Counties

**TIP:** As provided for in Section 102(b)(6) of the Tax Relief and Health Care Act of 2006 (Pub. L. 109-432), and described further in the NOAA and the Q&A document that accompanies this application, the CDFI Fund will ensure that: (i) at least 20% of all QLICs made by allocatees under the [20082009](#) allocation around are invested in *Non-Metropolitan Counties*; and (ii) a proportionate number of “Rural CDEs” (as defined in the [CY20082009](#) NOAA) receive allocation awards.

*Applicants* are therefore required to provide two target estimates below: the percentage of QLICs that they estimate would be provided to *Non-Metropolitan Counties* as a part of their normal course of business (i.e., minimum commitment); and the maximum percentage of QLICs that the *Applicant* is willing to commit to providing to *Non-Metropolitan Counties* (i.e., maximum commitment). At the discretion of the CDFI Fund, the *Applicant* may be required to deploy a percentage of its allocation at or above the minimum indicated in Question 25(b), but not more than the percentage indicated in Question 25 (c); and such requirement shall become a condition of its *Allocation Agreement* with the CDFI Fund.

An *Applicant* that responds “Yes” to Question 25(a) (and provides appropriate supporting narrative) and commits to a figure of 50% or greater in response to Question 25(c) may be deemed to be a “Rural CDE”, and may be eligible to receive special consideration for a *NMTC Allocation* in accordance with the process outlined in the NOAA.

25. a. Have at least 50% of the *Applicant's* total activities (financing or otherwise) over the past five years been directed to *Non-metropolitan counties*?

\_\_\_\_\_ yes      \_\_\_\_\_ no

- b. What is the minimum percentage of QLICs that the *Applicant* anticipates will be deployed in *Non-metropolitan counties* as part of its ordinary course of business?

\_\_\_\_\_ %

- c. What is the maximum percentage of QLICs that the *Applicant* is willing to commit to deploy in *Non-metropolitan counties*?

\_\_\_\_\_ %

- d. If the response to Q.25 (c) above is greater than zero percent, briefly describe the *Applicant's* ([or its Controlling Entity's](#)) five-year track record of providing or facilitating QLICI and non-QLICI related activities (e.g., rental housing) in *Non-metropolitan counties*. Be sure to indicate, both in real dollars and as a percentage of the *Applicant's* overall activities, the amount of loans, investments or related activities the *Applicant* has undertaken in *Non-metropolitan counties*; referencing the tables in Exhibit A as appropriate.

(Maximum Response Length: 3,000 characters)

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e. If the response to Question 25(c) above is greater than zero percent, and only to the extent not discussed elsewhere in the application, discuss the *Applicant's* strategy for serving *Non-Metropolitan Counties*. **Maximum Response Length: 10,000 characters**

- Discuss how the *Applicant* intends to identify potential borrowers, investees, or other customers, including the extent to which the *Applicant* will be utilizing community alliances or strategic partners to source transactions.
- Indicate the number and dollar amount of transactions that have already been identified in *Non-Metropolitan Counties*, for which underwriting is completed or underway.
- Provide sample transactions in the *Applicant's Non-metropolitan* pipeline. Be sure to indicate the total project cost and provide an estimate of the amount of QLICI investment for each transaction.
- Discuss the key challenges to undertaking NMTC activities in *Non-metropolitan Counties* and how the *Applicant* proposes to overcome those challenges.

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## E. 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* that answers “Yes” to Question #26(a) 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.

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

\_\_\_\_\_ yes    \_\_\_\_\_ no

(b) Briefly describe any notable relationships, financial or otherwise, that the *Applicant, its Affiliates, or staff* will have with projects that will be financed with its *QLICIs*. Be sure to discuss whether any of said entities or persons: **(Maximum Response Length: 332,000 characters)**

- Will own more than one percent of the interest in the *QALICB* and, if so, the anticipated ownership interest;
- Will serve as the developer or general contractor on any projects financed in whole or in part by the *QLICI*;
- Will be lessees at projects financed in whole or in part by the *QLICIs*; or
- Will otherwise receive direct financial benefits from the preferential rates and terms offered by the *Applicant*, as discussed in Question 16.

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**TIP:** Applicants that indicated in Question 26(b) that they have a significant ownership interest in, or other relationship with, the projects financed with its QLICs should be sure to distinguish, as appropriate in various questions throughout the application, the degree to which: 1) NMTCs will be used to finance projects that would not likely have otherwise been financed; and/or 2) significant benefits (financial or otherwise) will be provided to other non-affiliated end-users (e.g., businesses, residents) in the *low-income* communities.

## 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 QLICs

27. *Applicant* targeting of QLICI activities: Indicate the percentage of total QLICs (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. \_\_\_\_\_ [30% POVERTY] Census tracts with poverty rates greater than 30%.
2. \_\_\_\_\_ [60% MEDIAN FAMILY INCOME] 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 the statewide median family income or the Metropolitan Area median family income.
3. \_\_\_\_\_ [1.5 UNEMPLOYMENT RATE] Census tracts with unemployment rates at least 1.5 times the national average.
4. \_\_\_\_\_ [25% POVERTY/70% MEDIAN FAMILY INCOME/1.25 UNEMPLOYMENT RATE] Census tracts with one of the following: (i) poverty rates greater than 25%; or (ii) if located within a non-Metropolitan Area, median family income that does not exceed 70% of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 70% of the greater of the statewide median family income or the Metropolitan Area median family income; or (iii) unemployment rates at least 1.25 times the national average.
5. \_\_\_\_\_ [FEDERAL ECONOMIC DEVELOPMENT ZONES] Federally designated Empowerment Zones, Enterprise Communities, or Renewal Communities.
6. \_\_\_\_\_ [SBA HUB ZONES] SBA designated HUB Zones to the extent QLICs will support businesses that obtain HUB Zone certification by the SBA.
7. \_\_\_\_\_ [BROWNFIELDS] Brownfield sites as defined under 42 U.S.C. 9601(39).
8. \_\_\_\_\_ [HOPE VI REDEVELOPMENT] Areas encompassed by a HOPE VI redevelopment plan.
9. \_\_\_\_\_ [FEDERAL NATIVE AREAS] Federally designated Native American or Alaskan Native areas, Hawaiian Homelands, or redevelopment areas by the appropriate Tribal or other authority.
10. \_\_\_\_\_ [ARC/DRA AREAS] Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority.
11. \_\_\_\_\_ [COLONIAS AREAS] Colonias areas as designated by the U.S. Department of Housing and Urban Development.

- 12. \_\_\_\_ [FEDERAL MEDICALLY UNDERSERVED AREAS] Federally designated medically underserved areas, to the extent *QLICI* activities will result in the support of health related services.
- 13. \_\_\_\_ [TARGETED POPULATIONS] As permitted by IRS and related CDFI Fund guidance materials, projects serving *Targeted Populations* to the extent that: (a) such projects are located in non-metropolitan areas; or (b) such projects are 60% owned by *low-income persons* (LIPs); or (c) at least 60% of employees are LIPs; or (d) at least 60% of customers are LIPs.
- 14. \_\_\_\_ [HIGH MIGRATION] *High Migration Rural County*.
- 15. \_\_\_\_ [STATE/LOCAL ECONOMIC ZONES] State Enterprise zone programs, or other similar state/local programs targeted towards particularly economically distressed communities.
- 16. \_\_\_\_ [NON-METROPOLITAN COUNTIES]
- 17. \_\_\_\_ [FEMA DISASTER AREAS] 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 the initial investment will be made within 24 months of the disaster declaration.
- 18. \_\_\_\_ [TRADE ADJUSTMENT ASSISTANCE] Businesses certified by the Department of Commerce as eligible for assistance under the Trade Adjustment Assistance for Firms (TAA) Program.

(b) Will the *Applicant* commit to providing at least 75% of its *QLICIs* (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 *QLICI*; or (2) characterized by at least two of items 4-18 on the above list for each *QLICI*?

\_\_\_\_ 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*. Also note that if the *Applicant* checks “no” above, the *Applicant* will be held, in its *Allocation Agreement*, to the percentage entered at the beginning of Question 27.

(c) Discuss how the *Applicant* will identify *QLICIs* in these particularly economically distressed or otherwise underserved communities:  
 (Maximum Response Length: 2,000 characters)

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## 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*.

28. 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?

\_\_\_ 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.): (Maximum Response Length: 3,000 characters)

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- (b) Describe, citing examples of projects that the Applicant has financed or otherwise facilitated in the past five years, what particular efforts were made to provide benefits (e.g., higher wage jobs; affordable housing; goods and services) to *Low-Income Persons* and residents of *Low-Income Communities*. (Maximum Response Length: 3,000 characters)

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TIP: In discussing **Methodology**, the Applicant should describe the process(es) by which the CDE obtained the impact data reflected in Table C1 and C2. For example, to quantify ~~theits~~ prior performance, the Applicant used two separate methods: 1) surveyed for community-based, service oriented businesses the Applicant surveyed the businesses directly for economic impact projections; and 2) for Commercial Real Estate Developments it used an economic impact model to analyze the pipeline Commercial Real Estate Developments pipeline projects -projects based on total contract construction cost, square footage, and national averages for the number of construction-related labor hours per \$1,000 of construction costs, FTEs per 1,000 square feet of commercial space, and average hourly earnings for retail and office workers.

In discussing **Assumptions**, the Applicant should describe the values, including industry source(s) and standards, used to compare and/or verify the reasonableness of the impacts that it has tracked or has estimated. For example, the Applicant's impact assessment model used metrics provided by ABC National Association to compare the estimates provided by the project sponsors. Using labor hours per \$1,000 of construction costs resulted in 9.2X FTEs for on-site construction; 7.8Y FTEs for manufacturing facilities and 5.7Z FTEs for trade, transportation and services.

## 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*, over and above general economic impacts in *Low-Income Communities*, will score more favorably under this section.

29. Complete Table C2 and provide a narrative response to the following items: (Maximum Response Length: 10,000 characters)

- Describe the methodology and assumptions used to derive 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, citing specific examples as necessary, how the *QLICs* described in the Business Strategy section will result in the impacts quantified in Table C2.

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**TIP:** Question 30 differs from Question 29 in that Question 30 asks the *Applicant* to discuss more specific community development impact, as opposed to the more general economic development impact solicited from Question 29. 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.

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

30. Will the *Applicant's QLICs* described in the Business Strategy section achieve one or more of the following impacts?

(a) Check the impacts that the *Applicant* proposes to achieve. (check all that apply)

1. \_\_\_\_ [CREATE OR MAINTAIN JOBS] Create or maintain jobs for *Low-Income Persons* or residents of *Low-Income Communities*.
2. \_\_\_\_ [INCREASE WAGES] Increase wages or incomes for *Low-Income Persons* or residents of *Low-Income Communities*.
3. \_\_\_\_ [FINANCE OR ASSIST LIC BUSINESSES] 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] Finance or assist minority- or women-owned businesses, or businesses owned by *Low-Income Persons*.

5. \_\_\_\_ [FINANCE OR ASSIST COMMUNITY BENEFIT BUSINESSES OR REAL ESTATE PROJECTS] 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] 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] Provide goods and services to *Low-Income Persons* or residents of *Low-Income Communities*.
8. \_\_\_\_ [CREATE ENVIRONMENTALLY SUSTAINABLE OUTCOMES] Create environmentally sustainable outcomes.
9. \_\_\_\_ [FINANCE REAL ESTATE BUSINESSES WHICH REDUCE RENT AND PROVIDE MORE FLEXIBLE LEASES] Facilitate or assist real estate businesses which will provide rent reductions, more flexible credit standards or lease provisions to businesses owned by *Low-Income Persons* or residents of *Low-Income Communities*, or that provide goods and services to *Low-Income Persons* or residents of *Low-Income Communities*.
- \_\_10. \_\_\_\_ [OTHER] Other – provide description in narrative.

(b) For each item checked in Question 30(a):

- (i) 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):  
(Maximum Response Length: 23,000 characters)

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- (ii) Describe the methodologies and assumptions used to derive the *Applicant's* estimates and how the data will be collected going forward: (Maximum Response Length: 3,000 characters)

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**TIP:** Those *Applicants* that clearly identify and quantify impacts from the list of impacts in Question 30, and provide supporting discussion of the methodologies and assumptions used to derive these-such projections and how data will be collected going forward, will be scored more favorably.

**TIP:** In discussing **Methodology**, the Applicant should describe the process(es) by which the CDE obtained the impact data reflected in Table C1 and C2. For example, to quantify its prior performance, the Applicant surveyed community-based, service oriented businesses directly for economic impact projections; and used an economic impact model to analyze Commercial Real Estate Developments pipeline projects based on total contract construction cost, square footage, and national averages for the number of construction-related labor hours per \$1,000 of construction costs, FTEs per 1,000 square feet of commercial space, and average hourly earnings for retail and office workers.

In discussing **Assumptions**, the Applicant should describe the values, including industry source(s) and standards, used to compare and/or verify the reasonableness of the impacts it has tracked or has estimated. For example, the Applicant's impact assessment model used metrics provided by ABC National Association to compare the estimates provided by the project sponsors. Using labor hours per \$1,000 of construction costs resulted in X FTEs for on-site construction; Y FTEs for manufacturing facilities and Z FTEs for trade, transportation and services.

**TIP:** Question 30 differs from Question 29 in that Question 30 asks the *Applicant* to discuss more-specific community development impact, as opposed to the more-general economic development impact solicited from Question 29. 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, — If the Applicant's activities as described in the Business Strategy, include using NMTC dollars to finance are directed projects that would result in 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 \_\_\_\_\_

(i) ~~If no, please explain why the Applicant will not commit to providing at least 20% of developed units as affordable housing units. (Maximum Response Length: 2,000 characters)~~

\_\_\_\_\_  
\_\_\_\_\_

(ii) ~~If n/a, explain why the Applicant's projected activities are not expected to generate housing units. (Maximum Response Length: 1,000 characters)~~

\_\_\_\_\_  
\_\_\_\_\_

**TIP:** An Applicant that checks "yes" in Question 30(c) above will be scored more favorably; favorably and this requirement may become a term of its Allocation Agreement.

If Applicant checks No or N/A it will score more favorably to the extent that its response to Q 30 (c ) (i) is consistent with the description of its projected NMTC activities.

Please note that this includes activities directed to the development or rehabilitation of ALL housing, for example Mixed-Use projects should be included.

**TIP:** The Applicant will score more favorably to the extent that its response to Q.30C is consistent with the projected activities described in the Business Strategy Section.

31. Describe the extent to which the Applicant has actively engaged and fostered partnerships with Low-Income community stakeholders. Be sure to specifically address:

(Maximum Response Length: 10,000 characters)

- The degree to which the Applicant has consulted with residents, civic organizations and institutions, businesses, and government officials to formulate the Applicant's business plan, products and projected investments.

- If the *Applicant* intends to support a single or discrete number of QLICs, whether these  


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projects were identified as a result of government or other community planning process.
- Whether the basis for approving investments includes an analysis of the tangible benefits  


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to the Low-  
Income community.

32. Discuss the extent to which the *Applicant's* proposed QLICs described in the Business Strategy section are expected to result in additional private investment beyond the initial project in the Low-Income Community (LIC). To the extent possible, provide examples where the *Applicant's* investments in the past have spurred additional investment into LICs by expansion or creation of new businesses. (Maximum Response Length: 3,000 characters)

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## Part III: Management Capacity

Total Maximum Points for Part III: 25 points

33. 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.

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

**TIP:** The Fund expects the *Applicant's* personnel to have relevant experience in 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*. (Maximum Response Length: 3,200 characters)  

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  - (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. (Maximum Response Length: 23,000 characters)  

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35. 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: (Maximum Response Length: 23,000 characters)

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36. 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. (Maximum Response Length: 23,000 characters)

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- (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. (Maximum Response Length: 23,000 characters)

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- (c) The *Applicant's* infrastructure (e.g., management information systems) to support the *Applicant's* asset and risk management procedures. (Maximum Response Length: 32,000 characters)

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37. 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: (Maximum Response Length: 10,000 characters)
  - o At least 85% of the proceeds of the *QEIs* are invested in *QLICIs* 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?
  - o 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 *QLICIs*?
  - o Payments of, or for, capital, equity, or principal by its borrowers or investees are re-invested into *QLICIs* 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?

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38. 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* representatives to the Governing or Advisory Board be directly involved in the design, implementation or monitoring of the *Applicant's* business strategy? Provide narrative that addresses the following: (Maximum Response Length: 10,000 characters)

- o The process by which these individuals or their organizations will solicit feedback from *Low-Income Community* stakeholders on matters relevant to the *Applicant's* proposed use of a NMTC allocation.
  - o The role, formal or otherwise, these individuals or their organizations played in formulating and approving the *Applicant's* projected investments listed in this application, (whether investments are for a discrete number of projects or a general pipeline).
  - o The role, formal or otherwise, these individuals or their organizations will have in approving future investment parameters or decisions.
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39. Complete Table D-6.

Briefly describe the role that outside consultants and/or unaffiliated organizations, if any, have had in completing this application or will have in the administration of a NMTC allocation (e.g. capital raising, asset management, legal services, etc.). Be sure to indicate the percentage of the total anticipated work that will be undertaken by outside experts (e.g. "Joe Smith, XYZ Company, will be contracted to assist with 50% of the compliance-related activities.") (Maximum Response Length 23,000 characters).

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40. 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. (Maximum Response Length: 23,000 characters)

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41. 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 financial statements for the last complete fiscal year been independently audited or is an audit underway?  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: (Maximum Response Length: 23,000 characters)

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

1. An opinion other than unqualified?  Yes  No

2. A going-concern paragraph?  Yes  No

3. Repeated findings of reportable conditions?  Yes  No

4. Material weaknesses in internal control?  Yes  No

5. If yes to any of the above, indicate the fiscal years of the occurrences and describe the circumstances and corrective action being taken: (Maximum Response Length: 32,000 characters)

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(c) Have the *Applicant's, or its Controlling Entity's 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: (Maximum Response Length: 32,000 characters)

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(d) Has the *Applicant's, or its Controlling Entity's -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: (Maximum Response Length: 23,000 characters)

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42. CDFI Fund Award Status:

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) in the table. 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: \_\_\_\_\_

43. *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) in the table. 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: \_\_\_\_\_

44. If the *Applicant* answered yes to Question #43, briefly explain the status of its previous Allocation award(s). Be sure to address:

(a) The number and dollar amount of QEIs issued on each award and the number and dollar amount of QLICs made with each award. (Maximum Response Length: 32,000 characters)

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(b) 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. (Maximum Response Length: 10,000 characters)

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(c) 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. (Maximum Response Length: 32,000 characters)

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**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.

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 NMTC [20082009 NOAA](#) for additional information regarding this and other requirements pertaining to *Applicant* eligibility under the [20082009](#) round.

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

45. Other than those activities already identified and discussed under Question #44, 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:

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

Name of *Allocatee*: \_\_\_\_\_

Award control number: \_\_\_\_\_

Total *QEI* amount invested: \_\_\_\_\_

Name of *Allocatee*: \_\_\_\_\_

Award control number: \_\_\_\_\_

Total *QEI* amount invested: \_\_\_\_\_

(b) 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: (Maximum Response Length: 10,000 characters)

\_\_\_\_\_  
\_\_\_\_\_

**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 #45 and provide requested responses.

**TIP:** *Applicants* providing responses to Question #45 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 #45.

## 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*.

46. Complete Tables E1-2. 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*). Investor letters should identify whether the investor will make a direct investment in the CDE or into a partnership. Be sure to follow the directions in the *Applicant* Instructions section for information regarding the submission of these documents.

47. 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 E2 as appropriate: (Maximum Response Length: 33,000 characters)

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**TIP:** In Question 47, 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.

48. Discuss the *Applicant's* strategy for securing NMTC investor *Commitments*, referencing information provided in Table E1 as appropriate. Be sure to address: (Maximum Response Length: 10,000 characters)
- 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 Table E1.
- The extent to which the *Applicant's* investors or potential investors are new to community development investing, including the *Applicant*.
- To the extent to which the *Applicant's* investors or potential investors ~~or~~ are increasing their community development related investments, including those to the *Applicant*.

49. Investment Partnerships

- (a) Does the *Applicant* intend to secure investments from partnership leverage non-*Equity Investments* (e.g., debt, grant dollars) from outside or the partnership to increase the tax credit yield for members of the partnership?
- \_\_\_\_\_ Yes      \_\_\_\_\_ No

**TIP:** *Applicants* that answer yes to Question 49 and complete 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.

- (b) If yes, describe, for each such investor partnership: (Maximum Response Length: 32,000 characters)
- 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.

- (c) The percentage of equity versus non-equity investments for all such investor partnerships based on the *Applicant* NMTC Allocation Request.

\_\_\_\_\_ % *Equity Investments*  
 \_\_\_\_\_ % *Non-Equity Investments*



50. 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

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

\_\_\_\_\_ Yes      \_\_\_\_\_ No

52. If the answer to either Question 50 or 51 above is yes, provide narrative detailing:  
(Maximum Response Length: 23,000 characters)

- 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.

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

(Maximum Response Length: 10,000 characters)

- 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 *QALICB* 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 *Low-Income Communities* in which the investment(s) will be made. Be sure to reference related market benchmarks or practices where applicable.

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**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.

**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.

54. 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 in Question #54, 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.

55. How will the *Applicant* finance its cost of operations? Provide a narrative that addresses the following: (Maximum Response Length: 3,000 characters)

- 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.

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56. Complete Table F1. Be sure to list all sources of compensation and profits that the *Applicant* and/or its Affiliates (including, if applicable, investment partnership funds) will

charge to (or receive from) its borrowers, investors, or other parties involved in the NMTC transactions.

(a) Referencing the information in Table F-1 as appropriate, briefly describe the types and amount of all sources of compensation and profits that will be collected (whether at the front-end, back-end or during the compliance period), and how such sources compare to what is typically earned in the marketplace. (Maximum Response Length: 3,000 characters)

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(b) Provide a brief description of how these monies will be utilized by the Applicant and/or its Affiliates (e.g. to fund program operations; to fund reserves; to support additional investments in low-income communities; as a source of profit sharing for the Applicant or its Affiliates; etc.) (Maximum Response Length: 3,000 characters)

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**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 QEIs. An Applicant that is likely to issue QEIs 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 F2, and such requirement will be a term of their Allocation Agreements.

57. Complete Table F2. 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: (Maximum Response Length: 23,000 characters)

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58. 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: (Maximum Response Length: 23,000 characters)

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**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 #58a, the Fund **will not** provide a *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, at its discretion, may choose to rely upon the track record of its Controlling Entity. **In order to list the track record of the Controlling Entity in Exhibit A, the Applicant must designate a Controlling Entity in Question 3.**

### TIPs for Exhibit A:

- 1) Where indicated in Tables A1 and A2, enter the dollar amount of debt financing provided by the Applicant (or Controlling Entity) in row 2a3. In row 2b4, enter the dollar amount of equity financing provided by the Applicant (or Controlling Entity). Enter all financing from other sources in row 36. Rows 2 and 6 will automatically calculate based on your entries in remaining rows 2a, 2b and 3. The Applicant may discuss in Question 19 any role the Applicant (or Controlling Entity) played in leveraging or facilitating financing it did not originate.
- 2) For the purpose of completing Tables A1, A2 and A3, the Applicant must choose to either include its own track record or that of its Controlling Entity's. If the Applicant chooses to use its own track record it may not include its Controlling Entity's activities. However, if the information reflects the activities of the Controlling Entity, it may include, in the aggregate, the track record of all and any subsidiaries of the Controlling Entity, including the Applicant. The Applicant may discuss track records of both the Applicant and Controlling Entity in the narratives to Questions #19 and #20. The narratives should clearly distinguish between the track records of each entity.
- 3) Where indicated in Tables A1 and A2, include the types of QLICIs the Applicant (or Controlling Entity) has itself originated in rows 3 and 4. Include all other financing from any source in row 5. The Applicant may discuss in Question 19 any role the Applicant (or Controlling Entity) played in leveraging or facilitating financing it did not originate.
- 4) 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 #19 and #20. The narratives should clearly distinguish between the track records of both entities.
- 5) Tables A1-4 should be mutually exclusive. Applicants should not enter the same data in more than one Table in Exhibit A.
- 6) Refer to the TIP in Question #14 regarding how to classify "real estate" vs. "non-real estate" QALICBs.

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)		2003 <del>4</del>	2004 <del>5</del>	2005 <del>6</del>	2006 <del>7</del>	2007 <del>8</del>	Totals (200 <del>43</del> -200 <del>87</del> )	Totals to Disadvantaged Businesses and Communities (200 <del>34</del> -200 <del>87</del> )	Totals to Non-metropolitan Counties (200 <del>43</del> -200 <del>87</del> )
1	Total # businesses financed								
2	Total \$ amount of financing from all sources	\$	\$	\$	\$	\$	\$	\$	\$
2	Total \$ amount of financing provided by the Applicant	\$	\$	\$	\$	\$	\$	\$	\$
2a 3	— \$ Amount of debt financing provided by Applicant	\$	\$	\$	\$	\$	\$	\$	\$
2b 4	— \$ Amount of equity financing provided by Applicant	\$	\$	\$	\$	\$	\$	\$	\$
55	Total \$ amount of financing provided by the Applicant — \$ Amount of financing provided — by other sources (including — owner equity)	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
36	— \$ Amount of financing provided by other sources (including QALICB owner equity)	\$	\$	\$	\$	\$	\$	\$	\$
4	Total \$ amount of financing from all sources	\$	\$	\$	\$	\$	\$	\$	\$

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

Calendar Year(s)		20043	20042 005	20065	20076	20087	Totals (20034- 20078)	Totals to Disadvantaged Businesses and Communities (20034- 20078)	Totals to Non- metropolitan Counties (20034-20078)
1	Total # businesses financed								
22	Total \$ amount of financing provided by the Applicant Total \$ amount of financing from all sources	\$	\$	\$	\$	\$	\$	\$	\$
2a 3	\$ Amount of debt financing — \$ Amount of debt financing — provided by the Applicant — provided by Applicant	\$	\$	\$	\$	\$	\$	\$	\$
2b 4	\$ Amount of equity financing — \$ Amount of equity financing — Provided by the Applicant — provided by Applicant	\$	\$	\$	\$	\$	\$	\$	\$
3. 5	Total \$ Amount provided by — \$ Amount of financing provided — other sources (including Total \$ amount of financing provided by the Applicant — by other sources (including QALICB owner equity) — owner equity)	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
4. 6	Total \$ amount financing — \$ Amount of financing provided — from all sources — by other sources (including — QALICB owner 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)		20034	20054	20065	2007 6	20087	Totals (20034- 20087)	Totals to Disadvantaged Businesses and Communities (20043- 20078)	Totals to Non- metropolitan Counties (20034-20078)
1	Total # CDEs financed								
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$	\$	\$
2a3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$	\$	\$
42b	\$ 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)		20034	20054	20065	2007 6	20087	Totals (20043- 20087)	Totals to Disadvantaged Businesses and Communities (20034- 20078)	Totals to Non- metropolitan Counties (20034-20087)
1	Total # of loans purchased								
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 *QLICI* 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 22 or Question 23, 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 *QLICIs*. If the *Applicant* is pursuing such a strategy of reinvestment, it should be further described in the narrative to Question 22 or Question 23, and listed separately in lines 5-8 of Tables B1, B2, and B3; lines 5-6 of Table B4; and line 4 of Table B5. **Do not consolidate reinvestment data into lines 1-4, where the *Applicant* should only discuss original *QLICIs*.**
- 4) Refer to the TIP in Question #14 regarding how to classify “real estate” vs. “non-real estate” *QALICBs*.
- 5) To the extent the *Applicant* intends to issue *QEIs* and originate *QLICIs* in ~~2008~~2009 (in accordance with applicable IRS rulings regarding the issuance of *QEIs* prior to notification of a *NMTC Allocation*), such *QLICIs* should be reported under activities in ~~2009~~10. Any *QLICIs* to be made beyond ~~2013~~ 2014 should be consolidated into 2014.

[TIP: Table B1-B5 should be consistent with the information provided in Q14.](#)

<b>Table B1: Projected Loans/Investments to Non-Real Estate QALICBs (Estimated)</b>							
<b>Calendar Year(s)</b>		<b>201009</b>	<b>20110</b>	<b>20121</b>	<b>20132</b>	<b>20143</b>	<b>Total</b>
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
2a3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
2b4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
53	Total # of reinvestment transactions						
46	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
4a7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
4b8	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$

<b>Table B2: Projected Loans/Investments to Real Estate Businesses (Estimated)</b>							
<b>Calendar Year(s)</b>		<b>201009</b>	<b>20110</b>	<b>20121</b>	<b>20132</b>	<b>20143</b>	<b>Total</b>
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
2a3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
2b4	\$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
53	Total # of reinvestment transactions						
46	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
4a7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
4b8	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$

**Table B3: Projected Loans/Investments in Other CDEs (Estimated)**

Calendar Year(s)		2010 <del>09</del>	2011 <del>0</del>	2012 <del>1</del>	2013 <del>2</del>	2014 <del>3</del>	Total
1	Total # transactions to be financed						
2	Total \$ amount of financing	\$	\$	\$	\$	\$	\$
2a3	\$ Amount of financing (debt)	\$	\$	\$	\$	\$	\$
2b4	— \$ Amount of financing (equity)	\$	\$	\$	\$	\$	\$
35	Total # of reinvestment transactions						
46	Total \$ amount of reinvested financing	\$	\$	\$	\$	\$	\$
4a7	\$ Amount of reinvested financing (debt)	\$	\$	\$	\$	\$	\$
84b	\$ Amount of reinvested financing (equity)	\$	\$	\$	\$	\$	\$
		<b>2010<del>09</del></b>	<b>2011<del>0</del></b>	<b>2012<del>1</del></b>	<b>2013<del>2</del></b>	<b>2014<del>3</del></b>	<b>Total</b>
1	Total # selling CDEs						
2	Total # of loan portfolios purchased						
3	Total # of loans purchased						
4	Total \$ amount of loan purchases	\$	\$	\$	\$	\$	\$
5	Total # of loans purchased via reinvested financing						
6	Total \$ amount of loans purchased via reinvested financing	\$	\$	\$	\$	\$	\$

**Table B5: Projected *Financial Counseling and Other Services* to Businesses and Entrepreneurs in *Low-Income Communities* (Estimated)**

Calendar Year(s)		2010 <del>09</del>	2010 <del>1</del>	2011 <del>2</del>	2013 <del>2</del>	2014 <del>3</del>	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 financing or facilitating the types of QLICI activities checked in Question 14 and/or a track record of providing non-QLICI activities (e.g., financing of rental housing) must complete this table. An Applicant may, at its discretion, 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. If the information reflects the Controlling Entity, the information may include, in in the aggregate, the the track record(s) of any subsidiaries and affiliates of the Controlling Entity.**

All Applicants should be sure to distinguish, in the second and third column of Table C1, the amount of financing that the Applicant or Controlling Entity provided from the amount of financing that was provided by the borrower or by third party entities. An Applicant or Controlling Entity that has not engaged in any QLICI type activities historically (i.e. an Applicant that checked “no” to Question 19) may still complete Table C1, provided that it indicated in Question 20 that it has engaged in related transactions.

Table C1: Historic Community Impacts (cumulative 20034-20078)									
This table reflect the activities of (check one):		Applicant		Controlling Entity					
		# of projects	\$ Amount of Applicant Financing	\$ Amount of Financing from Other Sources	Permanent <sup>1</sup> FTE <sup>2</sup> Jobs Created or Maintained <sup>3</sup>	Pre-development or Construction <sup>1</sup> FTE <sup>2</sup> Jobs Created or Maintained <sup>3</sup>	Square Feet of Space Developed or Rehabilitated	# of Housing Units Developed or Rehabilitated	# of Clients Served
1	Non-Real Estate businesses		\$	\$					
2	Real Estate businesses (total)		\$	\$					
2a	Commercial <sup>4</sup>		\$	\$					
2b	Housing		\$	\$					
3	Loans/Investments in CDEs <sup>5</sup>		\$	\$					
4	Purchase of loans from CDEs <sup>6</sup>		\$	\$					
5	FCOS		\$	\$					

<sup>1</sup> 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.

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

<sup>3</sup> A maintained job is a job that exists at the business at the time the business was financed.

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

<sup>5</sup> Entities making loans/investments in other CDEs should calculate the impacts that were obtained by the business that ultimately received the financing.

<sup>6</sup> Entities purchasing loans from other CDEs should calculate the impacts that were obtained via the investment of the 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 Economic Development Impacts (cumulative 2009-2013)**

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

<sup>1</sup> 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.

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

<sup>3</sup> A maintained job is a job that exists at the business at the time the business was financed.

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

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

<sup>6</sup> 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 Table 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. (All narrative responses in Table D1 have a maximum length of 321,000 characters)

**Table D1: Experience Deploying Capital or *Financial Counseling and Other Services***

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"> <li>• Governing board (GB) chair</li> <li>• GB member on loan/investment committee</li> <li>• Other GB member</li> <li>• Advisory board member</li> <li>• ED or equivalent</li> <li>• CFO or equivalent</li> <li>• Dir. of lending/investing or equivalent</li> <li>• Other key management</li> <li>• Loan/investment officer or equivalent</li> <li>• Compliance officer</li> <li>• Other finance staff</li> <li>• Contracted consultant</li> <li>• Other (specify): _____</li> </ul>			



**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 Table 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. (All narrative responses in Table D2 have a maximum length of 213,000 characters)

**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"> <li>• Governing board (GB) chair</li> <li>• GB member on loan/investment committee</li> <li>• Other GB member</li> <li>• Advisory board member</li> <li>• ED or equivalent</li> <li>• CFO or equivalent</li> <li>• Dir. of lending/investing or equivalent</li> <li>• Other key management</li> <li>• Loan/investment officer or equivalent</li> <li>• Compliance officer</li> <li>• Other finance staff</li> <li>• Contracted consultant</li> <li>• Other (specify): _____</li> </ul>			<ul style="list-style-type: none"> <li>• Profit-motivated investors</li> <li>• Non-profit or governmental entities</li> <li>• Using tax credits as an incentive</li> <li>• Not applicable</li> </ul>		

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**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 Table 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. (All narrative responses in Table D3 have a maximum length of 213,000 characters)

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"> <li>• Governing board (GB) chair</li> <li>• GB member on loan/investment committee</li> <li>• Other GB member</li> <li>• Advisory board member</li> <li>• ED or equivalent</li> <li>• CFO or equivalent</li> <li>• Dir. of lending/investing or equivalent</li> <li>• Other key management</li> <li>• Loan/investment officer or equivalent</li> <li>• Compliance officer</li> <li>• Other finance staff</li> <li>• Contracted consultant</li> <li>• Other (specify): _____</li> </ul>				



**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 Table 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. (All narrative responses in Table D4 have a maximum length of 213,000 characters)

**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"> <li>• Governing board (GB) chair</li> <li>• GB member on loan/investment committee</li> <li>• Other GB member</li> <li>• Advisory board member</li> <li>• ED or equivalent</li> <li>• CFO or equivalent</li> <li>• Dir. of lending/investing or equivalent</li> <li>• Other key management</li> <li>• Loan/investment officer or equivalent</li> <li>• Compliance officer</li> <li>• Other finance staff</li> <li>• Contracted consultant</li> <li>• Other (specify): _____</li> </ul>			<ul style="list-style-type: none"> <li>• NMTC Program</li> <li>• Other tax credit programs</li> <li>• Other governmental programs</li> <li>• Foundation</li> <li>• Other (specify): _____</li> <li>• Not applicable</li> </ul>	



**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*. (All narrative responses in Table D5 have a maximum length of 321,000 characters)

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

**Instructions for Table D6:** An *Applicant* that has used or plans to use consultants to prepare its NMTC application or assist the *Applicant* in carrying out any aspect of its NMTC program must complete Table D6. The *Applicant* should list each consultant for which a contract or other service agreement has been executed or is planned. The *Applicant* should be sure to include in Table D6 all consultants even those already listed in Tables D1 – D4.

<b>Table D6: Consultants and unaffiliated organizations providing services to the <i>Applicant</i></b>			
<b>Consultant Name (if a specific individual is providing services)</b>	<b>Firm</b>	<b>Title at Firm</b>	<b>Area of NMTC Support (Check all that apply)</b>
			<input type="checkbox"/> NMTC Application Preparation/Review <input type="checkbox"/> Capital-raising <input type="checkbox"/> Sourcing or loan underwriting <input type="checkbox"/> Asset management <input type="checkbox"/> Loan Servicing <input type="checkbox"/> NMTC Program Compliance <input type="checkbox"/> Provision of services to QALICBs/residents (including FCOS) <input type="checkbox"/> Community Outreach <input type="checkbox"/> Legal Services <input type="checkbox"/> Other _____

## 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 Table E1 investors that provided *QEIs* pursuant to the *Applicant's* previous *NMTC Allocation Awards* unless such investors are providing new *QEIs* and/or *Commitments* distinct from the *QEIs* or *Commitments* pertaining to the *Applicant's* previous *NMTC Allocation Awards*.
- 3) In Table E2, an *Applicant* may, at its discretion, rely upon the track record of its *Controlling Entity*. In order to list the track record of the *Controlling Entity* in Table E2, the *Applicant* must designate a *Controlling Entity* in Question 3. If the information reflects the *Controlling Entity*, it may include in aggregate the track record of all subsidiaries and affiliates of the *Controlling Entity*.

**Instructions for Table E1:** In Table E1, *Applicants* should only list the names of actual or prospective 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*. To the extent an *Applicant* has or intends to secure investments from partnership entities that will leverage non-*Equity Investments* (e.g., debt, grant dollars), such investments should be separately reported under "Type of Investment". **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 third party organizations in this table.



**Table E1: Identification of Investments and Investor Commitments**

	Name of Investor	Type of Investment <sup>1</sup>	Using Leverage Structure ?	Unrelated Entity?	Previous Investor? <sup>2</sup>	Total Funding Provided from 2003 <del>4</del> -2008 <del>7</del> (if previous investor)	Dollar Amount Sought	Status of Request <sup>3</sup>	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	<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$</b>	<b>\$</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> Debt, equity, or grant.

<sup>2</sup> A previous investor is any investor that has invested in the *Applicant*, its *Controlling Entity*, or any *Subsidiary* entities since 2003.

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

**Table E2: Track Record of Raising Capital from Investors**

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

Calendar Year(s)		200 <u>4</u> 3	200 <u>5</u> 4	200 <u>6</u> 5	200 <u>7</u> 6	200 <u>8</u> 7	Total
1	Total # of investments						
2	Total \$ amount of investments	\$	\$	\$	\$	\$	\$
3	Total # of grants <sup>1</sup>						
4	Total \$ amount of grants <sup>2</sup>	\$	\$	\$	\$	\$	\$
5	Total # of below market rate loans <sup>1</sup>						
6	Total \$ amount of below market rate loans <sup>2</sup>	\$	\$	\$	\$	\$	\$
7	Total # of market rate loans <sup>1</sup>						
8	Total \$ amount of market rate loans <sup>2</sup>	\$	\$	\$	\$	\$	\$
9	Total # of <i>Equity Investments</i> <sup>1</sup>						
10	Total \$ amount of <i>Equity Investments</i> <sup>2</sup>	\$	\$	\$	\$	\$	\$

<sup>1</sup> Values should be a subset of Line 1.

<sup>2</sup> Values should be a subset of Line 2.

## Exhibit F. Fees and Flow of Allocations

### Instructions for Table F1:

1. All *Applicants* must complete Table F1.
2. *Applicants* must list any and all fees and other sources of compensation and profits that the *Applicant* and/or its *Affiliates* (including, if applicable, investment partnership funds) will charge to (or receive from) its borrowers, investors or other parties involved in the NMTC transactions.
3. The figures provided in the table should be basis points, aggregated over the life of investment.

Examples: An *Applicant* that retains 3% of its QEIs would list 300 basis points in the "Total" column that corresponds to Row 1. An *Applicant* that charges a 1% origination fee would list 100 basis points in the "Total" column that corresponds to Row 2. An *Applicant* that charges a .5% annual asset fee for the each year of the seven-year compliance period would list 350 basis points (7 year compliance \* 50 basis points) in the "Total" column that corresponds to Row 3. An *Applicant* that charges a 5% "success fee" at the back-end of the deal would list 500 basis points in the "Total" column that corresponds to Row 4.

4. In Columns 2-4, *Applicants* are to indicate the amount (in basis points) of the Total fees/revenues that will be charged to various parties. **In each row, the sum of the entries in Columns 2-4 should equal the corresponding entry in Column 1.**

Example: An *Applicant* that charges a commitment fee of 1% to both the investor and to the borrower would put 200 basis points in Row 2, Column 1; 100 basis points in Row 2, Column 2; 100 basis points in Row 2, Column 3; and 0 basis points in Row 2, Column 4.

**Table F1: Summary of Compensation and Profits**

		Total Amount (Basis Points)	Total Amount charged to Investors	Total Amount charged to Borrowers or Investees	Total Amount charged to Other Entities (e.g., subsidiary CDEs, etc.)
1	QEI proceeds retained by the CDE <sup>1</sup>				
2	Front-End sources of compensation and profits <sup>2</sup>				
3	Ongoing sources of compensation and profits <sup>3</sup>				
4	Back-End sources of compensation and profits <sup>4</sup>				
5	Other sources of compensation and profits <sup>5</sup>				
	Total				

<sup>1</sup> The "Total Amount" is the inverse of the figure provided in Question 54, expressed as basis points.

<sup>2</sup> Front-End includes any and all revenue charged prior to or during the close of each transaction (i.e., origination fees, brokerage fees, legal fees, closing costs, guarantee fees, etc.).

<sup>3</sup> Ongoing includes any and all revenue collected throughout the allocation compliance period (i.e., asset management, compliance, etc.), with the exception of ordinary interest payments paid by borrowers and discussed in Question 16.

<sup>4</sup> Back-End includes any and all revenue collected at the time of the investment exit (i.e., success, residuals, exit, carried interest, etc.).

<sup>5</sup> Indicate any other additional sources of revenue charged to investors, borrowers, or other entities.

**Instructions for Table F2:** All Applicants must complete Table F2.

**Table F2: Schedule for Issuing QEIs (Estimated)**

Calendar Year (s)	2010 <sup>09</sup>	2011 <sup>10</sup>	2012 <sup>11</sup>	2013 <sup>12</sup>	2014 <sup>13</sup>	Total
1 Total \$ amount of QEIs to be Issued	\$	\$	\$	\$	\$	\$
2 Percent of total NMTC Allocation	%	%	%	%	%	100%

## Glossary of Terms

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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.

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Community Development Entity (CDE)	<p>Under IRC §45D(c)(1), any domestic corporation or partnership if:</p> <ol style="list-style-type: none"> <li>(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>;</li> <li>(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</li> <li>(3) The entity is certified by the Fund as a CDE. <i>Specialized Small Business Investment Companies (SSBICs)</i> and <i>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).</li> </ol>
Community Development Financial Institution (CDFI)	<p>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.</p>
Community Investment Impact System (CIIS)	<p>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.</p>
Control	<p>Control is defined as:</p> <ol style="list-style-type: none"> <li>(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; <u>or</u></li> <li>(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</li> <li>(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.</li> </ol>
Controlling Entity	<p>An entity that Controls an <i>Applicant</i>.</p>
Disadvantaged Business	<p>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.</p>

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</i> Program and NMTC Program is more flexible than the definition of the same term under the Bank Enterprise Award (BEA) Program.
Equity Investment	Under IRC §45D(b)(6) and the <i>NMTC Program Income Tax 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.
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).
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"> <li>(1) The poverty rate for such tract is at least 20 percent, or</li> <li>(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.</li> </ol> <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 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"> <li>(1) For metropolitan areas, 80 percent of the area median family income; and</li> <li>(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.</li> </ol>
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)	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.
Non-Metropolitan Counties	Counties not designated as a metropolitan statistical area including Consolidated Metropolitan Statistical Areas (CMSAs) and Primary Metropolitan Statistical Areas (PMSAs) in accordance with OMB Bulletin No. 99-04 (Revised Statistical Definitions of Metropolitan Areas (MAs) and Guidance on Uses of MA Definitions) and based on 2000 Census data.
Notice of Allocation	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> ).
Notice of Allocation Availability (NOAA)	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 <del>2008</del> 2009 <i>Allocation Application</i> will only apply to the <del>2008</del> 2009 allocation year.
NMTC Allocation	An allocation of tax credit authority pursuant to the New Markets Tax Credit Program.
NMTC Program Income Tax Regulations	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.
Postmark	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

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Qualified Active Low-Income  
Community Business  
(QALICB)

Under IRC §45D(d)(2), any corporation (including a non-profit corporation) or partnership if for any taxable year:

- (1) At least 50 percent of total gross income of such entity is derived from the active conduct of a qualified business within any *Low-Income Community*;
- (2) A substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any *Low-Income Community*;
- (3) A substantial portion of the services performed for such entity by its employees are performed in any *Low-Income Community*;
- (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)).

Please refer to the [NMTC Program Income Tax Regulations](#) at 26 CFR 1.45D-1(d)(4) for more information.

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Qualified Equity Investment  
(QEI)

Under IRC §45D(b)(1), any *Equity Investment* in a *CDE* if:

- (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 *CDE* to make *QLICs*; and
- (3) The investment is designated for purposes of IRC §45D by the *CDE* as a QEI. QEI also includes an *Equity Investment* purchased from a prior holder, to the extent provided in IRC §45D(b)(4).

QEI does not include any *Equity Investment* issued by a *CDE* more than five years after the date the *CDE* receives a *NMTC Allocation*. 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.

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<p>Qualified Low-Income Community Investments (QLICI)</p>	<p>Under IRC §45D(d)(1), a <i>QLICI</i> is:</p> <ul style="list-style-type: none"> <li>(1) Any capital or <i>Equity Investment</i> in, or loan to, any <i>QALICB</i> (as defined in IRC§45D(d)(2));</li> <li>(2) The purchase from a <i>CDE</i> of any loan made by such entity that is a <i>QLICI</i>;</li> <li>(3) <i>Financial Counseling and Other Services</i> to businesses located in, and residents of, <i>Low-Income Communities</i>; and</li> <li>(4) Any <i>Equity Investment</i> in, or loan to, any <i>CDE</i>.</li> </ul> <p>Please refer to the <a href="#">NMTC Program Income Tax Regulations</a> at 26 CFR 1.45D-1(d)(1) for more information.</p>
<p>Small Business Investment Company (SBIC)</p>	<p>An entity defined in 15 USC 662(3).</p>
<p>Specialized Small Business Investment Company (SSBIC)</p>	<p>An entity defined in IRC §1044(c)(3).</p>
<p>Subsidiary</p>	<p>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>.</p>
<p>Targeted Population</p>	<p>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.</p>
<p>Unrelated</p>	<p>Persons who are not related within the meaning of IRC §267(b) or IRC §707(b)(1).</p>