

Emergency Clearance Justification Memo
Community Development Financial Institutions Fund
New Markets Tax Credit Program
FY 2010 New Markets Tax Credit Allocation Application

The Community Development Financial Institutions (CDFI) Fund is requesting emergency Paperwork Reduction Act (PRA) clearance of the FY 2010 New Markets Tax Credit (NMTC) Allocation Application. The attached clearance package includes the application cleared internally at the CDFI Fund.

The NMTC Program was initially authorized by Title I, subtitle C, Section 121 of the Community Renewal Tax Relief Act of 2000 (P.L. 106-554), and amended by section 221 of the American Jobs Creation Act of 2004 (P.L. 108-357), section 101 of the Gulf Opportunity Zone Act of 2005 (P.L. 108-357), and Division A, section 102 of the Tax Relief and Health Care Act of 2006 (P. L. 109-432) (the Act). The CDFI Fund provides authority to CDEs to offer an incentive to investors in the form of tax credits over seven years, which is expected to stimulate the provision of private investment capital that, in turn, will facilitate economic and community development in Low-Income Communities. In August 2009, pursuant to the U.S. Department of the Treasury's continuing effort to reduce paperwork and respondent burden, as required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13 (44 U.S.C. 3506(c)(2)(A)), the CDFI Fund published in the Federal Register a Request for Public Comment, 74 FR 38482, seeking responses to specific questions regarding the NMTC Program Allocation Application. The CDFI Fund received comments from 21 organizations and after careful consideration given to all comments, incorporated changes based on those responses into the 2010 NMTC Allocation Application. In order to allocate sufficient time for applicants to adequately prepare 2010 NMTC Allocation requests and allow the CDFI Fund to announce the 2010 NMTC Award recipients by calendar year end 2010, it is critical the normal PRA clearance process be temporarily waived with respect to the 2010 NMTC Allocation round.

The CDFI Fund plans to award the 2010 NMTC Allocation within a seven month time frame. It is the goal of the Fund to publish the FY 2010 NOAA and NMTC Allocation Application by April 7, 2010. The Application due date is May 26, 2010 and the CDFI Fund hopes to announce the award recipients by December 2010. The CDFI Fund expects to receive approximately 250 NMTC Allocation Applications and roughly 100 awards will be made totaling \$5 billion. The total annual burden for application preparation is estimated to be 200 hours per respondent.