

Supporting Statement - Part A
New Markets Tax Credit Program
Allocation and QEI Tracking System Module and QEI Closeout Report
OMB Control Number 1559-0024

A. Justification

1. Circumstances necessitating collection of information

Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000 (the Act), as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Pub. L. 106-554, December 21, 2000), amended the Internal Revenue Code (IRC) by adding IRC §45D, New Markets Tax Credit. Pursuant to IRC §45D, the Department of the Treasury, through the CDFI Fund, administers the NMTC Program, which provides an incentive to investors in the form of tax credits over seven years and stimulates the provision of private investment capital that, in turn, facilitates economic and community development in low-income communities.

In order to qualify for an allocation of NMTC Program authority, an entity must be certified as a qualified Community Development Entity and submit an allocation application to the CDFI Fund. Upon receipt of such applications, the CDFI Fund conducts a competitive review process to evaluate applications for the receipt of NMTC Program allocations. Entities selected to receive an NMTC Program allocation must enter into an Allocation Agreement with the CDFI Fund. The Allocation Agreement contains the terms and conditions, including all reporting requirements, associated with the receipt of a NMTC Program allocation.

The CDFI Fund requires each Allocatee to use an electronic data collection and submission system, known as the Allocation and Qualified Equity Investment Tracking System (AQEI), to report on the information related to its receipt of a Qualified Equity Investment (QEI). QEIs are actual cash investments made by the investor to the CDE. This cash investment eventually qualifies for the NMTC provided that the CDE makes qualified low-income community investments (QLICIs). Within 60 calendar days after the date that a taxpayer makes an equity investment in the CDE and provided that the CDE designates such investment as a Qualified Equity Investment, the Allocatee shall notify the CDFI Fund via the AQEI. Such notice shall contain, but not be limited to, the following:

- (i) The identification of each taxpayer (including, but not limited to, the name, taxpayer identification number, and address of the investment entity and any partners, members, or other legal entities comprising such investment entity) entitled to claim a NMTC as the result of a QEI designated by the CDE; and
- (ii) The form, date and dollar amount of Qualified Equity Investments issued by the CDE.

2. Purpose and Use of the Information Collection

The data will be collected electronically by mandatory submission from those entities that have received an NMTC allocation award. The CDFI Fund developed the AQEI to, among other things: (1) enhance the Allocatee's ability to report to the CDFI Fund timely information regarding the issuance of its Qualified Equity Investments; (2) enhance the CDFI Fund's ability to monitor the issuance of Qualified Equity Investments to ensure that no Allocatee exceeds its allocation authority and to ensure that Qualified Equity Investments are issued within the

timeframes required by the Allocation Agreement and IRC §45D; (3) provide the CDFI Fund with basic investor data that can be aggregated and analyzed in connection with NMTC Program evaluation efforts; and (4) provide the CDFI Fund with information about the status of Qualified Active Low-Income Community Businesses and Qualified Low-Income Community Investments at the end of the tax credit compliance period.

3. Use of Information Technology

The CDFI Fund will collect information electronically and/or use online collaboration tools to reduce burden. The AQEI module and QEI Closeout Report module will be made available on the CDFI Fund's website, via a secure Internet portal that requires password entry. The CDFI Fund will only accept data using the electronic method set forth in the AQEI and QEI Closeout Report module.

4. Efforts to identify duplication

AQEI module and QEI Closeout Report modules do not duplicate any other CDFI Fund or Federal program information gathering tool.

5. Reducing the Burden on Small Entities

Burden cannot be reduced further for small entities because it is already tailored to the needs of CDFIs and the Act does not allow further small entity flexibility.

6. Consequences of less frequent collection and obstacles to burden reduction

The CDFI Fund cannot administer the NMTC Program, monitor timely usage of tax credit allocations, and fulfill its statutory obligations without the collection of data through the AQEI module and QEI Closeout Report module.

7. Circumstances requiring special information collection

Information collection may occur more often than quarterly. An Allocatee will report information in the AQEI module on a per event basis. An event occurs when an investor places a QEI into the Allocatee. Because an Allocatee can issue a QEI at any point in time during a calendar year, it is possible that certain Allocatees may provide information to the CDFI Fund more frequently than quarterly. An Allocatee will report information in the QEI Closeout Report module on an annual basis tied to the end of the QEI tax credit investment period.

Respondents will have to retain records for longer than 3 years. Allocatees are required to retain documentation to verify any information submitted to the CDFI Fund for the length of their compliance period, pursuant to their NMTC allocation agreement. By statute, a QEI must stay invested in a CDE for at least 7 years. Therefore, the record retention associated with AQEI module and QEI Closeout Report module will extend beyond 3 years.

8. Solicitation of comments on information collection

A notice and request for comments was published in the Federal Register on June 17, 2026, (91 FR 36650). The CDFI Fund received no comments on the AQEI data collection.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

Community Development Financial Institutions Fund, Department of the Treasury

The CDFI Fund is subject to all Federal regulations with respect to confidentiality of information supplied in the annual compliance reports. Access to data submitted in response to this information collection will be limited to Allocatees, and their designated representatives, CDFI Fund staff and, if applicable, designated contractors who are subject to all Federal regulations and have completed annual privacy and cybersecurity training.

11. Justification of sensitive questions.

No questions of a sensitive nature are asked in the application.

12. Estimate of the hour burden of information collection.

The total burden of this information collection is estimated at 8.5 hours per respondent annually for each of 202 respondents. The number of respondents is expected to increase as new allocation rounds are administered.

	Number of Respondents	Responses Per Respondent Per year	Hours Per Response	Total Hours
State, Local, and Tribal Governments	40	5	1.7	340
Private Sector: Businesses and other for profits; not-for-profit institutions.	162	5	1.7	1,377
Totals	202			1,717

13. Estimate of total annual cost burden to respondents

There is no additional capital, start-up or ongoing operational, or maintenance costs associated with information collection.

14. Estimate of annualized cost to the Government

Annual costs to the Government consist of the staff time associated with implementing information collections, reviewing information, and reporting results. The estimate is based on the expected number of hours and loaded labor rate for the CDFI Fund. The estimate is based on the projected federal employee labor costs of \$112.49 for a General Schedule (GS) -13, Step 5 employee based on the 2026 GS Locality Pay Tables prepared by US Office of Personnel Management. The federal employee labor costs reflect loaded rates by GS level and based on an estimated 60 labor hours. The estimated cost is \$6,749.

Expense Category	Cost
CDFI Fund Staff	\$6,749

15. Any program changes or adjustments

There are no program changes or adjustments that impact this collection tool. There is a reduction in the overall burden as the frequency of reporting by respondents has changed due to industry forces as CDEs respond to the collection as investment are received, rather than program changes initiated by the CDFI Fund.

16. Plans for information tabulation and publication

Confidential or proprietary information collected will not be published. However, the Agency may receive requests to release the information (e.g., congressional inquiry, Freedom of Information Act requests). The Agency will disseminate the findings when appropriate, strictly following the Agency's "Guidelines for Ensuring the Quality of Information Disseminated to the Public," and will include specific discussion of the limitations of the qualitative results discussed above.

17. Reasons for not displaying expiration date of OMB approval

The expiration date will be displayed.

18. Explanation of exceptions to certification statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

This section is not applicable.