



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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CONTACT: Brookly McLaughlin
(202) 622-1996

Bill Luecht, CDFI Fund
(202) 622-8042

Treasury Department Announces \$2 Billion to Help Nation's Low-Income Communities Awards Announced Under 3rd Round of New Markets Tax Credit Program

Treasury Secretary John W. Snow today announced that 41 organizations have been selected to receive \$2 billion in tax credit allocations under the New Markets Tax Credit (NMTC) Program in a ceremony held at the Treasury Department. The NMTC Program attracts private-sector capital investment into the nation's urban and rural low-income areas to help finance community development projects, stimulate economic growth and create jobs.

"Today's announcement promises more jobs and a brighter future for the Washington, DC area and for every community where NMTCs are allocated," said Secretary Snow. "By providing businesses with critical investments, job creation will be stimulated in communities that are very much in need."

The NMTC program, established by Congress in December of 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments in low-income communities. The 41 organizations were selected through a competitive application and rigorous review process. The NMTC program is administered by Treasury's Community Development Financial Institutions (CDFI) Fund.

"The New Markets Program is doing what it is suppose to do – attracting sources of capital to our nation's low-income communities," said CDFI Fund Director Art Garcia. "By partnering with the private sector and community organizations, previous recipients have already leveraged their credits into more than \$2 billion in equity from investors."

The CDFI Fund anticipates announcing the opening of the application period for the next round of the NMTC Program during the summer of 2005.

A complete list of the 41 organizations selected and additional information on the NMTC Program can be found on the CDFI Fund's web site at: www.cdfifund.gov.