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U.S. Treasury announces \$7 billion allocation of New Markets Tax Credits

MHIC to receive \$70 million allocation award

Today, the U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) announced that 120 organizations nationwide will receive a total of \$7 billion in New Markets Tax Credit (NMTC) awards. This is the largest single award round since the New Markets Tax Credit Program was created in 2001.

MHIC received a \$70 million NMTC allocation award. MHIC now has received awards in 11 out of 13 rounds, for a total of \$807 million.

Three other Massachusetts-based organizations received U. S. Treasury Awards. MassDevelopment received \$75 million; Boston Community Capital received \$55 million; and The Housing Partnership Network received \$40 million.

"The CDFI Fund programs, including the New Markets Tax Credit, address the needs and concerns of working Americans and help build an economy that delivers results that they can see," said Treasury Secretary Jacob J. Lew. "By attracting private business and development to distressed communities, this tax credit spurs economic growth, creates jobs, and brings new services and opportunities where they are most needed."

The 120 organizations awarded today are headquartered in 36 states, the District of Columbia, and Puerto Rico. The scope of this NMTC award round means that more communities across the nation will have access to investments for local jobs, community facilities, and safe and affordable housing. It is estimated that more than \$1.4 billion in New Markets Tax Credit investments will be made in non-metropolitan counties. The number of minority-owned or controlled organizations receiving awards also nearly tripled from the previous award round.

Today's awards bring the total amount awarded through the New Markets Tax Credit Program to \$50.5 billion. Historically, NMTC awards have generated \$8 of private investment for every dollar invested by the federal government. Since 2001, NMTCs have generated more than \$42 billion in investments in low-income communities and businesses, resulting in the creation or retention of more than 500,000 jobs, and the construction or rehabilitation of more than 164 million square feet of commercial real estate.

About the New Markets Tax Credit Program

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in vehicles known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities.

CDEs must apply annually to the CDFI Fund to compete for New Markets Tax Credit Program allocation authority. The 120 organizations receiving awards were selected from a pool of 238 applicants that requested approximately \$17.6 billion in allocation authority.

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