Community Development Financial Institutions Fund

NMTC Program

New Markets Tax Credit Allocation Application

2013/2014 Application

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

OMB Approval No. 1559-0016

Paperwork Reduction Act Notice.

This submission requirements package is provided to A*pplicants* 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 240 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, Department of the Treasury, Community Development Financial Institutions Fund, 1500 Pennsylvania Avenue, Washington, D.C. 20220

Table of Contents

***Applicant* Instructions** iii

Assurances and Certifications vi

***Applicant* Information** 1

Part I: Business Strategy 9

A. Products, Services, and Investment Criteria 9

B. Prior Performance 13

C. Projected Business Activities 15

D. *Non-Metropolitan Counties* 18

E. Investments in Unrelated Entities 19

Part II: Community Outcomes 21

A. Targeting the Use of *QLICIs* 21

B. Community Development Outcomes – Prior Performance and Projections 23

Part III: Management Capacity 28

Part IV: Capitalization Strategy 34

A. Investor Strategy 34

B. Sources and Uses of Capital 37

Part V: Information Regarding Previous Awards 39

Exhibit A: Track Record of Activities 43

Table A1: Track Record of Loans/Investments to Non-Real Estate Businesses 44

Table A2: Track Record of Loans/Investments to Real Estate Businesses 45

Table A3: Track Record of Loans/Investments to Other *CDEs* 46

Table A4: Track Record of Loan Purchases from Other *CDEs* 46

Table A5: Track Record of Financing Activities that would not qualify as *QLICI* Activities 47

Exhibit B: Projected Activities 48

Table B1: Projected Loans/Investments to *Non-Real Estate QALICBs* (Estimated) 49

Table B2: Projected Loans/Investments to *Real Estate QALICBs* (Estimated) 49

Table B3: Projected Loans/Investments in Other *CDEs* (Estimated) 50

Table B4: Projected Loan Purchases from Other *CDEs* (Estimated) 50

Table B5: Projected *Financial Counseling and Other Services* to Businesses and Entrepreneurs in *Low-Income Communities* (Estimated) 51

Exhibit C: Staff and Board Qualifications 52

Table C1: Management Capacity 52

Table C2: *Low-Income Community* Accountability 53

Exhibit D: Asset Management and Income & Operating Expenses .. 54

Table D1: Investment Portfolio 54

Table D2: Income and Operating Expenses 56

Exhibit E: Investor Strategy 57

Table E1: Identification of Investments and Investor *Commitments* 58

Table E2: Track Record of Raising Capital from Investors 58

Glossary of Terms 59

Applicant Instructions

- Read the relevant New Markets Tax Credit (NMTC) Program publications prior to completing the *Allocation Application*. For information on the combined calendar year (CY) 2013 and 2014 NMTC Program allocation round (this Round), read the *Notice of Allocation Availability (NOAA)* and the *Community Development Financial Institutions* Fund's (the CDFI 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 CDFI Fund's document titled "*CDE* Certification Q&A Document." All of these documents are available on the CDFI Fund's website at www.cdfifund.gov. The CDFI 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.

- *A Subsidiary CDE* **cannot submit an *Allocation Application.***

- If the *Applicant* has not been certified as a *CDE* by the CDFI 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 CDFI Fund) so that it is ***Postmarked* on or before August 9, 2013.** The *CDE Certification Application* is available on the CDFI Fund's website at 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 this 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 CDFI Fund's website by **5:00 pm, Eastern Time, on August 9, 2013.**

TIP: The CDFI 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 CDFI Fund's website at www.cdfifund.gov.

TIP: The term "*Postmarked,*" as used throughout this document, is defined by 26 CFR 301. 7502-1. In general, the CDFI 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 CDFI Fund determines that any portion of the *Allocation Application* is incorrect in any material respect, the CDFI Fund reserves the right, in its sole discretion, to reject the *Allocation Application*.

- As the *Applicant* prepares the *Allocation Application*, assume that the CDFI 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 CDFI Fund under this or any of the other CDFI 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, which, depending on font size, will range from about 1/3 of a page to 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 CDFI 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 myCDFIFund on the CDFI Fund's website at www.cdfifund.gov. *Applicants* who have not already done so are encouraged to register a user account through myCDFIFund as soon as possible. Please contact the CDFI Fund's IT Help Desk at (202) 653-0422 or ithelpdesk@cdfi.treas.gov if you are having problems registering under myCDFIFund. **The online *Allocation Application* must be received no later than 5:00 pm, Eastern Time, on September 18, 2013.** Complete instructions regarding the electronic submission requirements will be posted on the CDFI Fund's website at www.cdfifund.gov when the online *Allocation Application* is made available.

- Required Investor Letters: *Applicants* completing Table E1 are required to submit *Commitment* letters or letters of interest from investors per the TIPs for Exhibit E. Please upload these documents electronically through the *Applicant*'s myCDFIFund account. In doing so, an *Applicant* is also 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 CDFI Fund's NMTC *Allocation Application* Q&A Document.

- Submitting Signature Pages and Required Documents: All *Applicants* will be required to upload signature pages and other documents (*Letters of Interest/Intent*, *Commitment* letters and organizational charts) electronically through their myCDFIFund accounts. An *Applicant* will be

instructed on how to upload the aforementioned signature page and other documents (i.e., attachments) at the time the *Applicant* submits its *Allocation Application*. **All attachments must be uploaded by 11:59 pm, Eastern Time, on September 20, 2013.** If the attachments are not received by the applicable deadline, they will not be given consideration as part of the review process. **Only those attachments requested by the CDFI Fund will be considered as part of the review process. Furthermore, the CDFI Fund will not accept any revisions or amendments to an application or the attachments once they have been submitted for review.**

- Part V - Information Regarding Previous Awards: All *Applicants* are required to complete Part V of the *Allocation Application*. *Applicants* who have not received previous *NMTC Allocations* or who have not received other CDFI Fund Awards (i.e. FA-TA, CMF, BEA) will simply need to respond "No" to Questions 42 and 43 and not respond to Question 44. *Applicants* who have not made *QEIs* into previous *Allocatees* or assumed *Control* of previous *Allocatees* should respond "No" to Question 45. Please note that Part V is not specifically scored as part of the Phase I review process, and is only considered if the *Applicant* is ranked highly enough to proceed to Phase II of the application review process.

- 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 CDFI Fund by mail at Program Manager, NMTC Program, Department of the Treasury, Community Development Financial Institutions Fund, 1500 Pennsylvania Avenue, Washington, D.C. 20220, by e-mail at cdfihelp@cdfi.treas.gov, by telephone at (202) 653-0421, by facsimile at (202) 508-0084, or visit the CDFI Fund's website at www.cdfifund.gov. If you require information technology assistance in using the online *Allocation Application*, please call (202) 653-0422 or e-mail ithelpdesk@cdfi.treas.gov.

The CDFI Fund will provide programmatic and information technology support related to the *Allocation Application* between 9:00 am and 5:00 pm, Eastern Time, through Monday, September 16, 2013. **The CDFI Fund will not respond to phone calls or e-mails concerning the *Allocation Application* that are received after 5:00 pm, Eastern Time, on Monday, September 16, 2013, until after the *Allocation Application* deadline of September 18, 2013.**

Assurances and Certifications

Except for paragraphs 10, 11, 12, 13, and 15 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, 13, and 15 the *Applicant* must submit a written explanation. The CDFI 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 one or more of the statements in the Certification Regarding Debarment, Suspension, and Other Responsibility Matters of Section C. The Certification or explanation will be considered in connection with the CDFI 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.

15. Neither the *Applicant, Controlling Entity* (if applicable), nor any *Affiliate* is a federally regulated financial institution currently under any *Enforcement Action* from any federal regulator.

NOTE: Where the *Applicant* is unable to certify to one or more of the statements in paragraphs 10, 11, 12, 13 or 15 of the General Certifications, the *Applicant* must attach a written explanation to this *Allocation Application*, clearly identifying which paragraph number(s) and corresponding statement(s) it is unable to certify.

___ Insert the paragraph number(s) containing the statement(s) for which the Applicant is unable to certify.

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 CDFI 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 CDFI 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 CDFI 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 CDFI 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 CDFI 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 CDFI 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 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 CDFI 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:

1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

2. 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;

3. 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

4. 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 Section C Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions, the *Applicant* must attach a written explanation to this *Allocation Application*, clearly identifying which numbered statement(s) it is unable to certify.

___ Insert the paragraph number(s) containing the statement(s) for which the Applicant is unable to certify.

Applicant Information

1. *Applicant NMTC Allocation* Request

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

   $_____

2. *Applicant* Information:[1]

   (a) *Applicant* Name: _____

   (b) *Applicant* Employer Identification Number: _____

   (c) Structure of the *Applicant* (check all that apply):

   ___ For-profit
   ___ Non-profit
   ___ *Small Business Investment Company/Specialized Small Business Investment Company*
   ___ *New Market Venture Capital Company*
   ___ Certified *CDFI*
   ___ Credit Union
   ___ Publicly Traded Company
   ___ Government-*Controlled* Entity
   ___ Faith-Based Institution
   ___ Tribal Entity
   ___ Thrift, Bank or Bank Holding Company
   ___ Real Estate Development Company
   ___ Series of Funds

   (d) Is the *Applicant Minority-owned* or *Minority-controlled*? ____ Yes _____ No

   (e) If the *Applicant* is a federally-regulated thrift, bank, bank holding company, or credit union, provide the name of the *Applicant's* primary federal regulator and FDIC/NCUA Certification Number.

   Name of Primary Regulator: _____
   Certification Number: _____

   (f) 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 <u>not</u> eligible to apply for a *NMTC Allocation*):

   ____ Domestic Corporation
   ____ Domestic Partnership

   (g) *Applicant's* date of incorporation or formation (month/day/year): _____

[1] For the purposes of Questions #2-6 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*.

(h) *Applicant's* total assets as of the date of this *Allocation Application*: $_____

(i) *Applicant's* fiscal year end (month/day): _____

(j) Does the *Applicant* have any *Affiliates* that are applying for a *NMTC Allocation* in this Round? (check one): ___ Yes ___ No

TIP: The answer to question 2(j) must be "No." An *Applicant* and its *Affiliates* may collectively submit only one application for a *NMTC Allocation* under this Round of the NMTC Program. If separate applications are received from multiple *Affiliated* entities, the CDFI Fund reserves the right to reject all such applications. Likewise, *Subsidiary CDEs* are ineligible to submit an *Allocation Application*. 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 CDFI 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 CDFI 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 *NOAA* or *Allocation Application* Q&A Document on the CDFI Fund's website at www.cdfifund.gov. If you have questions about whether two entities are *Affiliated*, you should contact the CDFI Fund well in advance of the *NMTC Allocation Application* due date.

3. *Controlling Entity* Information:

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

TIP: An *Applicant* may only designate an organization as a *Controlling Entity* that meets the definition of *Controlling Entity* set forth in the Glossary of Terms. 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 a 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 CDFI 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 Agreemen*t with the CDFI Fund.

TIP: The *Controlling Entity Representative* is required to affirm, through submission of a signature page, that it is indeed the *Controlling Entity* of the *Applicant* and supports the *Applicant*'s *Allocation Application*.

(a) *Controlling Entity* Name: _____

(b) *Controlling Entity* Employer Identification Number: _____

(c) Structure of the *Controlling Entity* (check all that apply):

___ For-profit

___ Non-profit

___ *Small Business Investment Company/Specialized Small Business Investment Company*

___ *New Market Venture Capital Company*

___ Certified *CDFI*

___ Credit Union

___ Publicly Traded Company

___ Government-*Controlled* Entity

___ Faith-Based Institution

___ Tribal Entity

___ Thrift, Bank or Bank Holding Company

___ Real Estate Development Company

___ Series of Funds

(d) Is the *Controlling Entity Minority-owned* or *Minority-controlled*? _____ Yes _____ No

(e) If the *Controlling Entity* or an *Affiliate* is a federally-regulated thrift, bank, bank holding company, or credit union, provide the name of the *Controlling Entity's* or *Affiliate's* primary federal regulator and FDIC/NCUA Certification Number.

Name of Primary Regulator: _____
Certification Number: _____

(f) Total assets of *Controlling Entity*: $_____

4. *Applicant* Mailing Information:

Mailing address (provide nine-digit zip code):

_____

_____

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

_____

_____

TIP: Representatives of the *Applicant* and *Controlling Entity* (if applicable), should not provide private, personal contact information in response to Question #5. Only official, public contact information should be provided.

5. *Applicant* and *Controlling Entity* Contact Information

(a) *Applicant Authorized Representative* Information:

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

_____

_____

Telephone number: _____ Fax number: _____

E-mail address: _____

(b) *Controlling Entity Representative* Information:

Name, title, and mailing address:

_____

_____

Telephone number: _____ Fax number: _____

E-mail address: _____

(c) *Application Contact Person* Information:

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

_____

_____

Telephone number: _____ Fax number: _____

E-mail address: _____

TIP: In Question #5(c), the *Applicant* should provide contact information for the individual who the CDFI Fund should contact with questions related to the *Applicant*'s *NMTC Allocation Application*. It is recommended that the *Application Contact Person* listed is someone other than the *Applicant Authorized Representative.*

(d) *Public Contact Person* Information:

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

_____

_____

Telephone number: _____ Fax number: _____

E-mail address: _____

TIP: If the *Applicant* should receive an *NMTC Allocation*, the contact information listed in response to Question #5(d) will be released to the public as part of the CDFI Fund's Award Announcement and included in other reports made available to the public.

6. *CDE* Certification Information:

(a) Has the *Applicant* already been certified as a *CDE* by the CDFI Fund or submitted a *CDE Certification Application*?

___ Yes, CDE Certification Control Number: _____

___ No

Subsidiary CDEs are ineligible to submit *Allocation Applications*.

(b) By the stated deadline in the *NOAA*, is the *Applicant* filing a service area amendment in connection with this application?

____ Yes ____ 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 CDFI Fund), *Postmarked* no later than August 9, 2013 to be considered for a *NMTC Allocation* in this Round. The *CDE Certification Application* is available on the CDFI Fund's website at www.cdfifund.gov. The CDFI 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 CDFI Fund's website **on or before 5:00 pm, Eastern Time, on August 9, 2013**. ***CDE* service area amendment requests will not be considered for purposes of this application unless filed by the deadline stated in the Round *NOAA*.**

7. Identify the type of service area that the *Applicant* will serve (check one). The service area identified here must be identical to the service area identified by the *Applicant* in its *CDE Certification Application* approved by the CDFI 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."

TIP: If an *Applicant* would like to focus its investments in this *Allocation Application* on a subset of its certified service area, it may discuss this in the narrative response to Question #19. However, all *Applicants* must designate their entire certified service area (or if applicable, the entire service area for which certification or a service area amendment is pending) in response to Questions #7 and #8.

8. Identify the particular geographical areas that the *Applicant* will serve. An *Applicant* that is serving a national service area must identify at least one state and may identify up to six additional states with the largest amount of projected activities:

State(s): _____

County(ies): _____

_____

9. 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 percent 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*

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

____ *Non-Real Estate QALICB* financing

____ *Real Estate QALICB* financing: (check only one accompanying sub-category)

____ Retail ____ Office Space

____ Industrial/Manufacturing ____ For-sale housing

____ Community Facilities ____ Mixed-use (housing, commercial, or retail)

____ Other Real Estate Financing: _____

____ Financing of other *CDEs*

____ Loan purchase from other *CDEs*

____ *Financial Counseling and Other Services*

11. Executive Summary:

(a) Provide a summary of the *Applicant's* business strategy including the following: (Maximum Response Length: 5,000 characters)

- A brief summary of the *Applicant's* service area, including the specific needs or problems that it intends to address with NMTCs.
- A brief summary of the types of projects and/or borrowers the *Applicant* will target and address why NMTCs are important for the identified projects and/or borrowers.
- 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 #11(a) is meant to be a brief summary of the *Applicant's* overall business strategy, thus it is not necessary to provide a detailed discussion of items that will be specifically covered in detail in other parts of the Business Strategy section.

(b) Provide a one or two sentence description of the types of investments the *Applicant* intends to make with the requested *NMTC Allocation*. *Applicants* will not be scored on this response. The information provided will be used as part of the CDFI Fund's public award announcement. (Maximum Response Length: 500 Characters)

Sample:

XYZ CDE (XYZ) will use its NMTC Allocation to invest in commercial real estate and operating businesses that revitalize vacant properties and create living wage jobs in Low-Income Communities that have experienced persistently high unemployment. The CDE intends to offer equity equivalent terms and conditions and senior debt.

_____

_____

_____

NOTE:

The CDFI Fund will supplement the information from Question #11(b) with responses to certain questions contained in the *Allocation Application*. Such profiles will be shared with the general public via the CDFI Fund's website or other public materials/forums. For more on what information will be contained in this profile, please see the Application Q&A document.

12. 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 CDFI 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: _____

By signing this *Allocation Application*, the *Controlling Entity* certifies that it is indeed the *Controlling Entity* of the *Applicant* and supports this *Allocation Application*.

Controlling Entity Name: _____

Controlling Entity 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 E.

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, financing provided to *Real Estate QALICBs* refers to entities whose predominant business activity (i.e. activity that generates more than 50 percent of the business' gross income) includes the development (including construction of new facilities and rehabilitation/enhancement of existing facilities), management, or leasing of real estate.

Transactions with businesses whose predominant business activity includes all other types of business activities should be classified as *Non-Real Estate QALICBs* 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.

Notwithstanding the above, loans or investments made to a special purpose entity that is *Controlled* by or under common *Control* with an *Non-Real Estate QALICB* (whose predominant business activity does not include development (construction of new facilities and rehabilitation/enhancement of existing facilities), management, or leasing of real estate, and that was set up specifically to lease the property back to the *Non-Real Estate QALICB* such that the *Non-Real Estate QALICB* is the principal user of the property, must be classified as a *Real Estate QALICB*.

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.

13. Please indicate the types of *Qualified Low-Income Community Investments (QLICIs)* 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 percent):

    (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 percent by dollar amount)

    ____% Business operations (including working capital, inventory or equipment purchase).

____% Real estate development (including construction of new facilities and rehabilitation/enhancement of existing facilities) or acquisition of real estate to be used in operating the business.

(b) ___ % Investments in, or loans to, *Real Estate QALICBs.*

Loans/investments will be used to support: (these two percentages should add up to 100 percent by dollar amount).

____% Special Purpose Entities that are *Controlled* by or under common *Control* with a *Non-Real Estate QALICB*, and that were set up specifically to lease the property back to the *Non-Real Estate QALICB* such that the *Non-Real Estate QALICB* is the principal user of the property.

____% Other *Real Estate QALICBs.*

(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 percent.

____ % Origination of loans, investment of capital, or equity to *Non-Real Estate QALICBs*

____ % Origination of loans, investment of capital, or equity to *Real Estate QALICBs*

____ % *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)

14. Products, rates and terms that the *Applicant* intends to offer:

TIP: If an *Applicant* intends to utilize its requested *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 #14 and #15.

(a) Select the products the *Applicant* intends to offer (check all that apply):

I. _____ *Equity Investments*

II. _____ *Equity Equivalent* terms and conditions, including debt with equity features (e.g., debt with royalties; debt with warrants; convertible debt)

III. _____ Senior debt

IV. _____ Subordinated debt

TIP: For each item checked in Question #14(a), 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.

(b) For each major product line checked above, describe which of the following flexible or non-traditional features the *Applicant* intends to offer. Include 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. Also, provide an example of how the product will be used (alone or in conjunction with non-NMTC sources of financing) for each product line checked in Question #14(a) above. (Maximum Response Length: 5,000 characters):

- Below market interest rates (or rate of return in the case of equity investments)
- Lower than standard origination fees
- Longer than standard period of interest-only loan payments
- Higher than standard loan-to-value ratio
- Longer than standard amortization period
- More flexible borrower credit standards
- Non-traditional forms of collateral
- Lower than standard debt service coverage ratio
- Subordination

_____

_____

_____

(c) For an *Applicant* that indicated under Question #13(c) 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)

_____

_____

_____

15. Choose one of the following options. (check only one)

The *Applicant* will commit that 100 percent of its *QLICI*s will:

___ (a) be provided in the form of equity; equity-equivalent financing; debt with *Interest Rates* at least 50 percent below market; or debt that otherwise satisfies at least 5 indicia of flexible or non-traditional rates and terms, as listed in Question 14.

___ (b) be provided in the form of equity; equity-equivalent financing; debt with *Interest Rates* at least 33 percent below market; or debt that otherwise satisfies at least 4 indicia of flexible or non-traditional rates and terms, as listed in Question 14.

___ (c) be provided in the form of equity; equity-equivalent financing; debt with *Interest Rates* at least 25 percent below market; or debt that otherwise satisfies at least 3 indicia of flexible or non-traditional rates and terms, as listed in Question 14.

___ (d) be provided in the form of equity; equity-equivalent financing; debt with *Interest Rates* at least 15 percent below market; or debt that otherwise satisfies at least 2 indicia of flexible or non-traditional rates and terms, as listed in Question 14.

___ (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 #15 above should be aware that this *Commitment* will be a condition of its *Allocation Agreement* with the CDFI Fund.**

Please refer to the Application Q&A document for guidance on how to calculate below market interest rates.

16. For an *Applicant* that indicated under Question #13(d) 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 *QLICIs*?

___ Yes ___ No

If yes, identify the percentage: _____%; and briefly describe the *Applicant's* mechanisms for enforcing this requirement:
(Maximum Response Length: 2,000 characters)

_____

_____

_____

TIP: An *Applicant* purchasing loans from other *CDEs* generally will not score favorably in the Business Strategy section unless it indicates, in Question #16(a), that it will require the *CDE* from which it purchases loans to reinvest at least 85 percent of the proceeds from the loan sales in *QLICIs*. The higher the percentage identified in Question #16(a), the better the A*pplicant* 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 purchase loans that include rates, terms and/or with conditions that would not be possible without the benefit of a *NMTC Allocation*. (Maximum Response Length: 2,000 characters)

_____

_____

_____

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 record of the *Controlling Entity* may include the activities of any subsidiaries of the *Controlling Entity*, including the *Applicant*. 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.

17. Does the *Applicant*, or its *Controlling Entity*, have a track record of financing or otherwise facilitating the types of *QLICI* activities checked in Question #13?

____ Yes (complete Questions #17(a) and (b) ____ No

TIP: The NMTC Program legislation requires the CDFI 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 #17 and #18 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*.

TIP: The *Applicant* may reference, in the Tables in Exhibit A and in the narrative in Question #17(b), loans or *Equity Investments* that the *Applicant* (or its *Controlling Entity)* has itself originated and for which it has capital at risk (direct financing). The track record of the *Applicant* can be included in the track record of the *Controlling Entity* if the *Applicant* is a *Subsidiary* of the *Controlling Entity*.

TIP: An *Applicant* that has a longer track record of providing similar direct financing will generally score higher in this section than an *Applicant* that primarily or exclusively provided indirect financing.

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 #17(b), the number of businesses/entrepreneurs to which the *Applicant* has provided counseling or other services in the last five years.

(a) Complete Tables A1-A4, as applicable for the types of *QLICI* activities in which the *Applicant* or its *Controlling Entity* has engaged.

(b) 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. Focus the discussion specifically on the *Applicant*'s or its *Controlling Entity*'s experience targeting *Disadvantaged Businesses and Communities*. (Maximum Response Length: 10,000 characters)

- Be as specific as possible with respect to which activities were undertaken by the *Applicant*, as opposed to its *Controlling Entity* (including any *Subsidiaries*).
- Be sure to discuss whether the data in Exhibit A refers to the *Applicant's* or *Controlling Entity's* (including any Subsidiaries) direct financing (i.e., its own capital at risk) versus indirect financing (e.g., loan packaging, project development, etc.).
- Be sure to indicate how long the *Applicant* or its *Controlling Entity* has been serving *Disadvantaged Businesses and Communities.*

18. Track Record of Direct Financing Activities that would not qualify as *QLICI* Activities

(a) Complete Table A5, if applicable. Does the *Applicant*, or *Controlling Entity*, have a track record of successfully providing financial 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

(b) Referencing Table A5 as appropriate, describe the *Applicant*'s, or *Controlling Entity's*, track record, over the past five years of successfully providing financial products and services that would not qualify as *QLICI* activities and how these activities relate to the proposed NMTC activities:
(Maximum Response Length: 5,000 characters)

_____

_____

_____

C. Projected Business Activities

TIP: Projected activities should 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.

TIP: *Applicant*s that plan to finance a single or discrete number of investments are expected to provide a greater level of detail about their planned transactions in order to score well in comparison to those *Applicants* intending to fund a general pipeline.

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 #19 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*.

19. Projected NMTC Investments

(a) Complete Tables B1-B5, as applicable, according to the types of *QLICI* activities in which the *Applicant* intends to engage.

(b) Please indicate if the *Applicant* plans to finance:

____ A single or discrete number of investments

____ A general pipeline of activities

(c) Please write a narrative describing the *Applicant's* planned investments:

Single or discrete number of investments: If the *Applicant* intends to invest in one or a few discrete projects only, provide a narrative below to describe:

- The feasibility and current status of each transaction (e.g., fully negotiated and committed, in preliminary discussions, etc.);
- The location of the project(s);

- The anticipated dates for project financing (including total project cost and NMTC financing) and completion;
- The risks that may preclude the project(s) from being completed within the timeframes identified.

General pipeline of activities: If the *Applicant* intends to support a general pipeline of activities that may or may not yet be identified, provide a narrative below to describe:

- The number and dollar amount of transactions that have already been identified, for which underwriting is completed or underway;
- Transactions that represent the type(s) of NMTC investments that the *Applicant* intends to make. 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 in *Low-Income Communities*;
- The extent to which the *Applicant* intends to invest interest, dividends or other profits received from *QLICI*s into additional *QLICI*s, and the timeline for doing so.
  (Maximum Response Length: 10,000 characters)

_____

_____

_____

(d) Explain how income and expense considerations of the *CDE* factor into the *Applicant's* business strategy and project selection (e.g., number and size of transactions, location, business type, industry, etc.).
(Maximum Response Length: 3,000 characters)

_____

_____

_____

20. Value Added and Innovative Investments

Indicate whether and explain how the *Applicant* intends to use the requested *NMTC Allocation* to make value added investments that might not otherwise occur or represent an innovative use of a *NMTC Allocation*. Check any option that applies and provide a narrative for each item checked:

TIP: The *Applicant* will be scored more favorably in this section to the extent it effectively demonstrates that a *NMTC Allocation* will enable it to increase the volume of the *Applicant's* (or *Controlling Entity's*) *LIC* investments, undertake activities of greater financial risk in *LICs*, and/or undertake innovative investments that would be unlikely in *LICs* without a *NMTC Allocation*.

TIP: *Applicants* do not need to select multiple options in order to score well in this section. No one activity, increase in volume, activities of greater risk, or innovative investments, is preferred over any other for scoring purposes.

____(a) **Increase the volume of its activities.** Demonstrate how the requested *NMTC Allocation* will enable the *Applicant* to achieve a greater dollar volume of

investment in *LICs*. Be sure to quantify the increase in *LIC* activities that the *Applicant* (or its *Controlling Entity*) proposes to invest over the next five years with a *NMTC Allocation* and compare with its five-year track record shown in Exhibit A.
(Maximum Response Length: 5,000 characters)

_____

_____

_____

____(b) **Undertake activities of greater financial risk.** Describe how the requested *NMTC Allocation* will enable the *Applicant* to make investments in *LICs* involving greater financial risk than would otherwise occur (e.g., financing projects in unproven markets, financing businesses that do not have access financial markets, etc.). Be sure to quantify the additional financial risk associated with the proposed investments to be undertaken with a *NMTC Allocation*. Also compare the risk of the *Applicant's* proposed NMTC investments to the *Applicant's* (or its *Controlling Entity's*) non-NMTC investments. Consider providing examples to illustrate investments that would be approved using the requested *NMTC Allocation* versus investments not using the requested *NMTC Allocation*.
(Maximum Response Length: 5,000 characters)

_____

_____

_____

TIP: If the *Applicant* proposes to pursue innovative *QLICIs* by investing in states that have historically received fewer dollars of *QLICI*s, the *Applicant* should refer to the Application Q&A to find a list of 10 states (plus Puerto Rico) that have received the least *QLICI* investments through 2011, based on CIIS reporting data. If selecting the innovation option, note that no particular innovation is preferred over another for scoring purposes. Any proposed innovative investments should be quantified as a percentage of the *Applicant's* total *QLICIs*. If the *Applicant* receives a *NMTC Allocation*, it may be required to meet the percentage identified in Q.20(c), and such requirement may be a term of its *Allocation Agreement.*

___(c) **Pursue Innovative QLICIs.** Demonstrate how the requested *NMTC Allocation* will enable the *Applicant* to engage in innovative uses of a *NMTC Allocation* (e.g., invest in *unrelated CDEs* that do not have *NMTC Allocations;* target states identified by the CDFI Fund as having received fewer dollars of *QLICIs*; provide *QLICIs* in amounts of $2 million or less; revolve *QLICIs* to serve more *QALICBs;* provide QLICIs for working capital, inventory or equipment purchase, etc.).
(Maximum Response Length: 5,000 characters)

_____

_____

_____

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 has established the goal that: (i) 20 percent of all *QLICI*s made by *Allocatees* under the this Round are invested in *Non-Metropolitan Counties*; and (ii) a proportionate number of *Rural CDEs* (as defined in the *NOAA*) receive allocation awards.

Applicants are therefore required to provide two target estimates below: a minimum percentage of *QLICIs* the *Applicant* is willing to commit to provide to *Non-Metropolitan Counties*; and the maximum percentage of *QLICI*s that the *Applicant* is willing to commit to providing to *Non-Metropolitan Counties*. 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 #21(b), but not more than the percentage indicated in Question #21(c); and such requirement shall become a condition of its *Allocation Agreement* with the CDFI Fund.

An *Applicant* that presents a minimum of a three-year track record of direct financing in Exhibit A, responds "Yes" to Question #21(a) (including an appropriate supporting narrative), commits to a figure of 50 percent or greater in response to Question #21(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*. See the Application Q&A.

An *Applicant* may receive a larger *NMTC Allocation* than would otherwise be the case, regardless of designation as a *Rural CDE,* if the CDE: (i) makes a minimum commitment of 20 percent or greater in response to Question #21(b); (ii) has a track record of providing direct financing in *Non-Metropolitan Counties* and a strong strategy for deploying NMTC investments in these communities; (iii) and is ranked highly enough to be considered for an allocation.

In accordance with the *NOAA for this Round*, in the event the CDFI Fund adds additional *Rural CDE*s to the *Allocatee* pool in order to achieve the targeted percentage of investment in *Non-Metropolitan Counties, Applicants* that commit to providing at least 20 percent of their *QLICI*s in *Non-Metropolitan Counties* will not be subjected to award reductions, and therefore may receive a larger NMTC allocation award than may have otherwise been the case.

21. (a) Have at least 50 percent of the *Applicant's (or Controlling Entity's)* total direct financing dollars over the past five years, as shown in Exhibit A, been directed to *Non-Metropolitan Counties*?

_____ Yes _____ No

(b) What is the minimum percentage of *QLICI*s that the *Applicant* is willing to commit to deploy in *Non-Metropolitan Counties?*

_____%

(c) What is the maximum percentage of *QLICI*s that the *Applicant* is willing to commit to deploy in *Non-Metropolitan Counties*?
(Note: this value must be equal to or greater than the value for Question #21(b).

_____ %

(d) If the response to Question #21(c) above is greater than zero percent, referencing Exhibit A, briefly describe the *Applicant's* (or its *Controlling Entity*'s) five-year *QLICI* and non-*QLICI* direct financing track record in *Non-Metropolitan Counties.* Specifically, describe

the types of projects and the dollar amounts that the *Applicant* (or its *Controlling Entity*) provided directly to projects located in *Non-Metropolitan Counties*. See the Application Q&A.
(Maximum Response Length: 2,000 characters)

_____
_____
_____

(e) If the response to Question #21(c) above is greater than zero percent, and only to the extent not discussed elsewhere in the application, discuss the *Applicant's* strategy for deploying *QLICI*s in *Non-Metropolitan Counties*.
(Maximum Response Length: 5,000 characters)

- 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 the *Applicant* anticipates it will have as it undertakes *QLICI* investments in *Non-Metropolitan Counties* and how the *Applicant* proposes to overcome those challenges.

_____
_____
_____

E. Investments in Unrelated Entities

TIP: The NMTC Program legislation requires the CDFI 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 #22 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.

22. 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

23. Notable Relationships. Describe any potential situations in which the *Applicant,* its *Affiliates* or its personnel (persons involved in identifying projects or making investment decisions on behalf of the *Applicant*, including governing or advisory board members), will receive financial benefits from the *QALICBs* financed with the *Applicant's QLICIs*.

(a) Will the *Applicant*, its *Affiliates* or its personnel own more than a 1 percent interest in the *QALICB*? ____Yes ____ No

(b) Will the *Applicant*, its *Affiliates* or its personnel provide professional services (developer, real estate agent, property manager, or general contractor) for the *QALICB*? ____Yes ____ No

(c) Will the *Applicant*, its *Affiliates* or its personnel be lessees at property developed with the *QLICI*? ____Yes ____ No

(d) Will the *Applicant*, its *Affiliates* or its personnel be a party to a business transaction financed with the *QLICI*? ____Yes ____ No

(e) Are there other financial benefits that the *Applicant*, its *Affiliates* or its personnel may receive, but are not included in items (a)-(d) above? ____Yes ____ No

For items (a)-(e) above for which "Yes" was selected, describe such situations: (Maximum Response Length: 2,000 characters)

_____

_____

_____

(f) Discuss how such relationships will create benefits (i.e. cost savings, lower fees) for unaffiliated end-users, such as *QALICB*s, tenant businesses, or residents of *Low-Income Communities*. (Maximum Response Length: 2,000 characters)

_____

_____

_____

Part II: Community Outcomes

Total Maximum Points for Part II: 25 points

TIP: The CDFI Fund will review the extent to which the *Applicant's* strategy will have positive community development outcomes. 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; b) it shows demonstrable community development outcomes; and c) it demonstrates meaningful engagement with community stakeholders when vetting potential NMTC investments.

A. Targeting the Use of *QLICIs*

24. Identify all of the areas likely to be served by the *Applicant* (check all that apply):

1. ____	[SEVERE DISTRESS] Census tracts with poverty rates greater than 30 percent; **OR** Census tracts with, if located within a non-Metropolitan Area, median family income that does not exceed 60 percent of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 60 percent of the greater of the statewide median family income or the Metropolitan Area median family income; **OR** Census tracts with unemployment rates at least 1.5 times the national average.
2. _____	[*NON-METROPOLITAN COUNTIES*] Qualifying census tracts that are located in counties not contained within a Metropolitan Statistical Area (MSA), as defined in OMB Bulletin No. 10-02 (Update of Statistical Area Definitions and Guidance on Their Uses) and applied to the 2010 census tracts.
3. ____	*[TARGETED POPULATIONS]* As permitted by IRS and related CDFI Fund guidance materials, projects serving *Targeted Populations* to the extent that: (a) such projects are 60 percent owned by *Low-Income Persons* (*LIP*s); or (b) at least 60 percent of employees are *LIP*s; or (c) at least 60 percent of customers are *LIP*s.
4. ____	[25% POVERTY/70% MEDIAN FAMILY INCOME/1.25 UNEMPLOYMENT RATE] Census tracts with one of the following: (i) poverty rates greater than 25 percent; or (ii) if located within a non-Metropolitan Area, median family income that does not exceed 70 percent of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 70 percent 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. ____	[SBA Designated HUB ZONES] to the extent *QLICI*s will support businesses that obtain HUB Zone certification by the SBA.
6. ____	[BROWNFIELDS] Brownfield sites as defined under 42 U.S.C. 9601 (39).

7. ____	[HOPE VI REDEVELOPMENT] Areas encompassed by a HOPE VI redevelopment plan.
8. ____	[FEDERAL NATIVE AREAS] Federally designated Native American or Alaskan Native areas, Hawaiian Homelands, or redevelopment areas by the appropriate Tribal or other authority.
9. ____	[ARC/DRA AREAS] Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority.
10. ____	[COLONIAS AREAS] as designated by the U.S. Department of Housing and Urban Development.
11. ____	[FEDERAL MEDICALLY UNDERSERVED AREAS] Federally designated medically underserved areas, to the extent *QLICI* activities will result in the support of health related services.
12. ____	[STATE/LOCAL ECONOMIC ZONES] State Enterprise zone programs, or other similar state/local programs targeted towards particularly economically distressed communities.
13. ____	[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.
14. ____	[TRADE ADJUSTMENT ASSISTANCE] Businesses certified by the Department of Commerce as eligible for assistance under the Trade Adjustment Assistance for Firms (TAA) Program.
15. ____	[HEALTHY FOODS FINANCING INITIATIVE DESIGNATED FOOD DESERTS] Census tracts identified as *Food Deserts* under the HFFI definition (USDA-ERS), to the extent *QLICI* activities will increase access to healthy food.

(a) Will the *Applicant* commit to providing at least 75 percent 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 4-15 on the above list for each *QLICI*?

_____Yes _____No

TIP: An *Applicant* that checks "Yes" to Question #24(a) above will generally 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*.

(b) Discuss how the *Applicant* will target *QLICIs* to areas marked by the specific indicators of higher distress selected in Question #24(a). In particular, please describe:

- The criteria used to prioritize *QLICIs,* assuming the *Applicant* has greater investment opportunities than available allocation authority.
- The outreach strategies that are used to locate potential investments in these areas of higher distress.
- Examples (if available) of how the *Applicant* has used these strategies to identify high impact investments in areas of higher distress.
  (Maximum Response Length: 5,000 characters)

B. Community Development Outcomes – Prior Performance and Projections

TIP: An *Applicant* may score higher to the extent that its projected activities will generate significant and meaningful outcomes in the communities affected, not simply based on the sheer number of outcomes selected in Question #25.

TIP: An *Applicant* will score well in this sub-section to the extent that it has a track record of producing meaningful quantitative and qualitative community outcomes similar to those expected to be achieved, to the extent that it demonstrates that significant quantitative and qualitative outcomes will result from its investments, and to the extent it clearly articulates its methodology and assumptions used to quantify both the outcomes resulting from its past investments, as well as outcomes going forward. If the Applicant selected Job Creation as an outcome, it may score higher if it can quantify that jobs created represent both Quality of Jobs and/or Jobs Accessible to *Low-Income Persons* or residents of *Low-Income Communities.*

25. Community Development Outcomes

(a) Select the outcome(s) the *Applicant* expects to achieve as a result of the projected *QLICI*s described in the Business Strategy section. Select all that apply. For every outcome selected, please:

- Quantify, to the extent possible, the *Applicant*'s projected community development outcomes;
- Explain how the *Applicant* estimated the potential outcomes that would result from receiving a *NMTC Allocation*;
- To the extent the *Applicant* has a track record of achieving such outcomes in past investments, please describe and compare past outcomes with projected outcomes.
  (Maximum Response Length: 5,000 characters)

1. ____	JOB CREATION. Quantify, as best as possible, the number of direct jobs (either in the aggregate or on average at each project financed) that will be created or maintained through the *Applicant's QLICI*s. Be sure to discuss both temporary jobs (e.g., construction) and permanent jobs. Describe how these projections compare to what the *Applicant* has historically achieved.
2. ____	QUALITY OF JOBS. Discuss the extent to which the *Applicant*'s investments will result in opportunities for *Low-Income Persons* or residents of *Low-Income Communities* to build wealth, receive living wages (e.g., the minimum hourly wage necessary for an individual to meet basic needs, including housing, nutrition, daily living expenses and other incidentals such as clothing, for an extended period of time), and employment benefits (e.g., health insurance, retirement benefits, employee stock ownership, etc.).
3. ____	JOBS ACCESSIBLE TO *LOW-INCOME PERSONS* OR RESIDENTS OF *LOW-INCOME COMMUNITIES*. Discuss the *Applicant'*s strategy for targeting jobs to *Low Income Persons* or residents of *Low-Income Communities*, as well as opportunities for training and advancement.
4. ____	COMMERCIAL GOODS OR SERVICES TO *LOW-INCOME COMMUNITIES*. Describe the extent to which the *Applicant's* NMTC investment strategy seeks to increase the provision of goods or services to residents of *Low-Income Communities* or *Low-Income Persons* (e.g., access to retail, restaurants, or pharmacies, etc.).
5. ____	COMMUNITY GOODS OR SERVICES TO *LOW-INCOME COMMUNITIES*. Describe the extent to which the *Applicant's* NMTC investment strategy seeks to increase access to goods or services to residents of *Low-income Communities* or *Low-Income Persons* (e.g., social, educational, health care, or cultural, etc.).
6. ____	FINANCING MINORITY BUSINESSES. Describe the extent to which the *Applicant* will focus its NMTC investments in *Minority-owned or Minority-controlled* businesses, including (in the case of real estate *QALICBs*) developers, project-sponsors or contractors/subcontractors that are *Minority-Owned or Minority-Controlled*.
7. ____	FLEXIBLE LEASE RATES. To the extent the *Applicant* is financing real estate *QALICB*s, describe the efforts the *Applicant* will make to ensure that tenant-businesses, specifically locally-owned businesses, *Minority-owned* or M*inority-controlled* businesses and non-profit organizations, will receive rent reductions or be able to purchase their properties.
8. ____	HOUSING UNITS. Describe the extent to which the *Applicant* will provide housing opportunities to *Low-Income Persons* or residents of *Low-Income Communities*; the extent to which housing will be offered in areas of high housing need, including communities with high concentrations of vacancies or foreclosures; and/or the extent to which the housing development adheres to principles of "smart growth", including transit-oriented development.

9. ____	ENVIRONMENTALLY SUSTAINABLE OUTCOMES. Describe the extent to which the *Applicant* will finance projects which remediate environmental contamination (including addressing environmental health in *Low-Income Communities*); meet LEED certification standards; and/or directly support the production or distribution of renewable energy resources (e.g., biomass, hydro, geothermal, solar, wind, etc.).
10. ____	HEALTHY FOOD FINANCING. Describe the extent to which the *Applicant* will finance projects, particularly retail outlets such as grocery stores, supermarkets and farmer's markets that increase access to fresh and healthy food for *Low-Income Persons* or *Low-Income Communities*. Indicate how the *Applicant* will identify and target areas that are *Food Deserts* or otherwise have demonstrated lack of access to fresh and healthy food.
11. ____	OTHER. In the space provided, please describe any other community outcomes that the *Applicant* expects to achieve. [*Applicants* will be able to enter up to two community outcomes in this section of the electronic *Allocation Application*.]

(b) Describe how the *Applicant* will track and document the community development outcomes it expects to achieve as a result of receiving a *NMTC Allocation*. To the extent the *Applicant* has a track record monitoring these types of community outcomes, please describe. (Maximum Response Length: 5,000 characters)

_____

_____

_____

(c) Will the *Applicant* use NMTC dollars to finance projects that would result in developing or rehabilitating rental or for-sale housing?

____Yes ____ No

TIP: Please note that Question #25(c) includes activities directed to the development or rehabilitation of ALL housing, including housing units resulting from mixed-use projects. If the *Applicant* indicates "Yes" to Question 25(c) and receives a *NMTC Allocation,* it will be required to provide at least 20 percent of aggregate units as affordable housing units (e.g. affordable to persons with incomes less than 80 percent of AMI), and such requirement will be a term of its *Allocation Agreement*. If the *Applicant* indicates "No" to Question 25(c) and receives a NMTC Allocation, it will be prohibited from using NMTC dollars to finance ANY housing units (see the Application Q&A).

(d) If the *Applicant* responded "Yes" to Item 10 in Question #25(a), what percentage and dollar amount of the *Applicant's* NMTC activities will focus on healthy food financing, including activities in *Food Deserts* (assuming the Applicant is awarded the total requested allocation)?

TIP: As part of the Healthy Food Finance Initiative (HFFI), the CDFI Fund is seeking to track the anticipated amount of NMTC healthy food financing investments, including those investments made in *Food Deserts*. This information is being collected and will be tracked for informational purposes. The *Applicant* will not be held to the commitments made in Question #25(d) below, nor will the information provided in Question #25(d) affect the scoring of the application. Awardees that engage in these activities may be publicly acknowledged as participating in the HFFI.

_____% Minimum

$_____ Estimated Total Dollar Invested

_____ Estimated Number of Projects to Be Financed

26. Community Accountability and Involvement

Please indicate how the *Applicant*, prior to approving an investment, ensures that an investment into a project or business is supported by and beneficial to the community surrounding it. (Maximum Response Length: 5,000 characters)

- Describe the *Applicant*'s process for analyzing the potential benefits to *Disadvantaged Business and Communities* and the extent to which the *Applicant*'s Advisory Board and/or members of *LIC*s participate in this process.
- Discuss the *Applicant*'s process for determining if a proposed investment aligns with community priorities and how this process affects investment decisions.
- To the extent possible, provide examples of the *Applicant*'s track record of community engagement (excluding the activities of the Advisory Board).

_____

_____

_____

27. Additional Investment

(a) Discuss the extent to which the *Applicant's* proposed *QLICIs* described in the Business Strategy section are expected to result in additional private investment beyond the initial investment in the *Low-Income Community* (*LIC*). To the extent possible, provide examples where the *Applicant's* investments in the past have spurred additional private investment into *LIC*s by expansion or creation of new businesses. (Maximum Response Length: 5,000 characters)

_____

_____

_____

(b) Discuss the extent to which the *Applicant's* proposed *QLICIs* are part of a broader community or economic development strategy (e.g. neighborhood revitalization

initiatives). Please describe how investments contribute to the goals of such strategies or initiatives.
(Maximum Response Length: 3,000 characters)

Part III: Management Capacity

Total Maximum Points for Part III: 25 points

28. Organizational Chart and Key Personnel

(a) Submit 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. All attachments must be submitted **online** through the *Applicant*'s myCDFIFund account.

(b) Complete Table C1. Identify all personnel, including consultants and board members (if applicable) that will have a key role in:

- Deploying Capital - locating, underwriting, and approving investments, and/or in providing *Financial Counseling and Other Services;*
- Raising Capital from Investors – including raising tax credit equity and leveraged debt if the *Applicant* will use the leveraged investment model;
- Asset and Risk Management;
- NMTC Program Compliance.

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

TIP: The CDFI 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 have experience working in *Low-Income Communities* will score particularly well.

(a) Describe the collective roles, responsibilities, and experience of key personnel, consultants and board members in deploying capital to *Low-Income Communities* and/or providing *Financial Counseling and Other Services,* if applicable. The *Applicant* should reference information from Table C1 as necessary.
(Maximum Response Length 5,000 characters)

(b) Describe 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: 2,000 characters)

30. Asset and Risk Management Experience:

TIP: Each *Applicant* must demonstrate that it has the capacity and relevant experience to manage the types of assets it intends to invest in with the requested *NMTC Allocation*, as well as monitor and control associated risks. An *Applicant* that has experience successfully managing an investment portfolio, has experienced staff, and has established systems and plans to manage the informational and performance aspects of administering such assets or pools of similar assets will score well under this sub-section.

(a) Describe the collective roles, responsibilities, and experience of key personnel, consultants and board members in managing the *Applicant's* assets and risk. The *Applicant* should reference information from Table C1 as necessary. (Maximum Response Length 5,000 characters)

(b) Describe how the *Applicant* will manage the addition of NMTC activities into its current portfolio of activities, including whether additional staff (including consultants, third-party firms, or other CDEs) will need to be hired. (Maximum Response Length 2,000 characters)

(c) For the *Applicant* (or *Controlling Entity*), complete Table D1 (Investment Portfolio) and discuss the *Applicant*'s (or *Controlling Entity*'s) delinquency rate(s) as of March 31, 2013 for each major product line as well as its default rate (write-offs) over the past 3 years for each major product line. Also:

- Describe the trends in delinquencies and write-offs and defaults as shown in Table D1.
- Explain the reasons for any negative results such as an increase in delinquencies or any unusual spikes in write-offs or loan restructurings that have occurred.
- If the *Applicant*, or its *Controlling Entity*, is a regulated financial institution, please compare delinquency and default rates with the appropriate peer group. (Maximum Response Length 5,000 characters)

TIP: Delinquency rate means the percentage of loan payments and mandatory dividend payments, on a dollar basis, that were 90 days past due (i.e., the combined dollar amount of principal, interest and mandatory dividend payments, 90 days or more past due divided by the total dollar amount of loans and equity investments outstanding).

(d) For each major product line, describe how the *Applicant* (or *Controlling Entity*) monitors financial assets. Explain how the organization identifies assets at greater

risk (such as use of a risk rating system for a loan portfolio) and how the organization responds when assets are at greater risk.

- Indicate if the *Applicant* (or *Controlling Entity*) has written asset management and collection policies and whether it has ever deviated from those policies in the past five years and, if so, why.

- Address the *Applicant's* strategy for minimizing defaults and managing delinquencies to mitigate against write-downs or write-offs going forward. (Maximum Response Length 5,000 characters)

(e) Discuss any delinquent, defaulted, or impaired loans or equity investments from prior NMTC investments. Note the total value of each investment, as well as the total number of days delinquent or the amount charged off. Discuss the *Applicant*'s strategies for managing these troubled investments, including any work-out strategies used. (Maximum Response Length 5,000 characters)

31. 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 seven-year credit period.

(a) Describe the collective roles, responsibilities, and experience of key personnel, consultants and board members in managing the *Applicant's* regulatory and tax compliance. The *Applicant* should reference information from Table C1 as necessary. (Maximum Response Length 5,000 characters)

(b) 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)

- At least 85 percent 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?

- 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*?

- 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?

32. *Low-Income 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.

(a) Complete Table C2.

(b) Describe how *Low-Income Community* representatives to the Governing or Advisory Board will be directly involved in the design and/or implementation of the *Applicant's* investment strategy. Provide a narrative that addresses the following: (Maximum Response Length: 5,000 characters)

- The number and percentage of *Low-Income Community* representatives on the *Applicant*'s Advisory and Governing Boards.
- The role, formal or otherwise, these individuals or their organizations play in formulating and approving the *Applicant*'s pipeline of investments.
- The role, specific to the *Applicant*'s Governing Board, these individuals have in approving investment parameters or decisions.

33. 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 NMTC activities are expected to play in helping the institution to achieve an "Outstanding" rating. (Maximum Response Length: 2,000 characters)

34. Financial Health:

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

Please provide fiscal year end date for the last completed independent audit (mm/dd/yyyy). If no audit has been completed or is underway for the last complete fiscal year, please explain why and what steps the *Applicant*, or its *Controlling Entity*, is taking to obtain audited financials in the future:
(Maximum Response Length: 2,000 characters)

_____

_____

(b) If Yes, have any of the *Applicant's*, or its *Controlling Entity's*, completed audits 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 controls? ___ Yes ___ No
5. If Yes to any of the above, indicate the fiscal years of the occurrences and describe the circumstances and corrective action(s) being taken:
(Maximum Response Length: 2,000 characters)

_____

_____

(c) Have the *Applicant's*, or its *Controlling Entity's* financial statements shown positive net income (or if a non-profit, positive change in net assets) for each of the last three years, or if in business for less than three years, for the period of time it has operated?

____ Yes ____ No

If No, please explain the circumstances, indicate the fiscal year in which this occurred, and describe the corrective action being taken:
(Maximum Response Length: 2,000 characters)

_____

_____

(d) Is the *Applicant* (or *Controlling Entity*) aware of any non-compliance issues cited since the issuance of its most recent audited financial statements or Management's Annual Report on Internal Controls Over Financial Reporting?

____ Yes ____ No

If Yes, please explain the circumstances and describe the corrective action being taken: (Maximum Response Length: 2,000 characters)

(e) Complete Table D2 based on the projected activities reflected in Exhibit B. Based on the projections in Table D2:

- Describe the *Applicant's* projected income and expense(s) associated with administering the *Applicant's* NMTC line of business and how the *Applicant* will be able to sustain this line of business, consistent with its overall business strategy, including its timeline for making investments.
- If the *Applicant* will use existing resources (e.g., accumulated cash balances), third-parties as a source of operating income (e.g., grants or loans), or in-kind contributions (e.g. use of personnel, back office systems), describe the *Applicant's* progress in securing firm commitments;
- Explain how the *Applicant* would address any operating deficit. (e.g., income or loan from *Affiliates* or alternate sources, reduce scope of activities, use reserves, etc.).
  (Maximum Response Length: 5,000 characters)

TIP: The narrative response in Q. 34(e) should clearly describe the assumptions and calculations used to derive each income and expense line from Table D2 in a way that a reviewer will be able to easily understand, quantify, and evaluate. The *Applicant* should indicate whether it is using cash or accrual methods of accounting. Table D2 should be completed using the Applicant's fiscal year indicated in Q.2(i) (see the Application Q&A)

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* and/or a strong strategy for raising capital will score well under this sub-section. Additionally, the CDFI 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 *QLICIs.* 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*.

35. Complete Tables E1 and E2 and describe the track record of the *Applicant* (or its *Controlling Entity*) raising capital from third-party sources, particularly equity capital at market or near-market rates. 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. Reference information provided in Table C1 as appropriate:
(Maximum Response Length: 5,000 characters)

_____

_____

_____

TIP: *Applicants* completing Table E1 are required to submit, along with their applications, documentation demonstrating proof of investor interest (e.g., *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.

TIP: While Table E2 must contain data only of the *Applicant* (or its *Controlling Entity*) and the track record of the *Applicant* (or its *Controlling Entity*) must be discussed in Question #35, the *Applicant* may refer in the narrative to the qualifications and five-year capital-raising track record of individuals (e.g., staff, principals, consultants) listed in Table C1 for organizations other than the *Applicant* (or its *Controlling Entity*).

36. Investment Partnerships

(a) Does the *Applicant* intend to secure investments from partnership entities that will leverage non-*Equity Investments* (e.g., debt, grant dollars) from outside of the partnership to increase the tax credit yield for members of the partnership?

_____Yes _____ No

(b) If Yes, provide the percentage of equity versus non-equity investments for all such investor partnerships based on the *Applicant's* requested *NMTC Allocation*.

_____% *Equity Investments*

_____% Non-*Equity Investments*

37. Investment Strategy

(a) Has the *Applicant* provided investor *Commitments* or *Letters of Intent/Interest* for investors listed in Table E1?

_____Yes _____ No

TIP: *Applicants* that answer Yes to Question #37(a) 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 (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, discuss the *Applicant's* strategy for securing investments from alternative investors in the event that the investors listed in Table E1 are unable or unwilling to make the anticipated investments. If the *Applicant* intends to secure investments from partnership entities that will leverage non-*Equity* investments (e.g., debt, grant dollars) be sure to address the strategy for identifying and securing both *Equity* investments and non-*Equity* investments.
(Maximum Response Length: 5,000 characters)

(c) If No, discuss the *Applicant's* strategy for securing NMTC investor *Commitment*s:

- The *Applicant's* strategy for identifying additional equity investors or non-equity providers (if utilizing a partnership model), including the extent to which the *Applicant* will be utilizing community alliances or strategic partners to raise investment capital.
- The *Applicant's* timeline for securing investments from equity investors and/or partnerships if the *Applicant* answered yes to Question #36(a) and, any risks that may preclude the *Applicant* from closing such investments, and how the *Applicant* is mitigating such risks.
- 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.
(Maximum Response Length: 8,000 characters)

38. (a) 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

(b) Will the *Applicant* receive any *QEIs* from *Affiliates*?

_____ Yes _____ No

(c) If the answer to (a) or (b) is yes, provide narrative detailing:

- The name of each such equity investor or non-equity provider;
- The role of each equity investor or non-equity provider with respect to locating, underwriting, and approving each investment;
- Whether each equity investor or non-equity provider 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 equity investor or non-equity provider and/or will target its activities to areas of greater economic distress than those currently targeted by the equity investor or non-equity provider.(Maximum Response Length: 2,000 characters)

_____

_____

_____

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.

39. Distribution of Benefits:

TIP: The CDFI Fund expects *Applicants* to quantify this information and to be able to demonstrate that there is appropriate sharing between the investor, *CDE*, and borrowers/investees.

(a) Quantify as best you can, for contemplated transactions in each of your planned investment types, how economic benefits of the *NMTC Allocation* will be apportioned amongst:

(i) the investors (equity and debt), through economic returns;
(ii) the *Applicant* (or its *Subsidiaries/Affiliates*), through economic returns (including fees).
(iii) the *QALICB* investees/borrowers, through lower costs of capital;
(iv) if applicable, the unaffiliated end-users through lower costs (e.g., lower tenant lease rates).
(Maximum Response Length: 5,000 characters)

_____

(b) To the extent there is any tax credit equity remaining at the end of the seven-year credit period, be sure to address how the residual value will be apportioned amongst investors, *QALICBs*, the *Applicant* and/or its *Affiliates*. Address any terms or conditions the *QALICB* must meet as a term of the distribution.
(Maximum Response Length: 3,000 characters)

(c) If the *Applicant* generates a profit from its overall NMTC activities, discuss how this profit will be used. (e.g., dollar amount or percentage of profit that will be distributed to investors or shareholders, support additional NMTC or non-NMTC *Low-Income Community* investments, support other activities of the *Applicant* or *Affiliates*, etc.).
(Maximum Response Length: 2,000 characters)

B. Sources and Uses of Capital

TIP: In this sub-section, the CDFI 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 percent of its *QEI* proceeds in *QLICIs* will generally score well, provided that the *Applicant* can reasonably demonstrate that it has other mechanisms in place to support its costs of operations.

40. Will more than 85 percent of the *QEI* proceeds be invested/re-invested in *QLICIs*?

____ Yes ____ No If yes, what percentage: _____%.

TIP: The higher the percentage indicated in Question #40, 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*.**

41. Minimum Request Amounts

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: 1,000 characters)

_____

_____

_____

TIP: At the conclusion of the CDFI Fund's review process, if the *Applicant* is recommended to receive less than the minimum amount of allocation authority identified in Question #41, the CDFI 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 *NMTC Allocation* 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.

Part V: Information Regarding Previous Awards

Information in Part V is not scored during the Phase I process of the Application review. Information provided in this section is considered during the Phase II process of the Application review. For more information on the NMTC Application review process, please consult the NOAA.

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*: _____
Award control number: _____
Total award amount: _____

Name of *Awardee*: _____
Award control number: _____
Total award amount: _____

43. *NMTC Allocation* Status:

Has the *Applicant* and/or any of its *Affiliates* received a *NMTC Allocation* from the CDFI Fund in a prior allocation round?

____ Yes ____ No

If No, please skip Question #44. If Yes, please list the allocation(s) in the table. The *Applicant* may use additional space as necessary:

Name of *Allocatee*: _____
Award control number: _____
Total allocation amount: _____

Name of *Allocatee*: _____
Award control number: _____
Total allocation amount: _____

TIP: *Applicants* should only list *NMTC Allocations* that have been directly awarded to the *Applicant* and/or any of its *Affiliates*. Do include information on *NMTC Allocations* awarded to *CDE*s if the *Applicant*'s only relationship to that *CDE* is through a *QEI* made into the *CDE* by the *Applicant* or an *Affiliate* of the *Applicant*.

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 *QLICI*s made with each award.
(Maximum Response Length: 2,000 characters)

(b) If the *Applicant* has made *QLICI*s, describe the types of transactions that have been financed to date. The *Applica*nt must discuss:

- The largest project from each of Applicant's three most recent *Allocations.* If the Applicant has received less than three *Allocations*, it should discuss the three projects that received the largest investments in the last five years.
- For each project identified, describe how NMTC proceeds were used to finance transactions that would not have otherwise occurred.
- Any community outcomes or benefits that were generated as a result of the transaction.
- The source(s) and amount(s) of leveraged debt (including the percentage of leverage sources derived from project sponsor equity), if any.
- Any investment-related fees and third-party expenses paid by the *QALICB* or the *QALICB's* affiliates that were paid either to the *Applicant*, its *Affiliates, QEI* investors or directly to any other parties in connection with consideration or receipt of the *QLICI* investment(s) (e.g., fees and expenses associated with leverage debt, accounting, legal, etc.).

(Maximum Response Length: 10,000 characters)

(c) If the *Applicant* co-invested in a project(s) with other *CDEs*, explain what actions the *CDE* took to control expenses paid by *QALICBs* and investors. (e.g., *CDE* used one set of documents, shared professional expenses, etc.).
(Maximum Response Length: 3,000 characters)

(d) Discuss 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: 3,000 characters)

TIP: Receipt of a prior award or allocation through any of the CDFI Fund's programs will not affect the likelihood of an *Applicant* receiving a *NMTC Allocation* in this round. The CDFI Fund will examine the compliance status of *Applicants* (or their *Affiliates*) that have previously received CDFI 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 *Allocatee* has met certain minimum threshold requirements regarding the issuance of its *QEI*s. Be sure to review the *NOAA* for this Round for additional information regarding this and other requirements pertaining to *Applicant* eligibility under this Round.

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

(e) To the extent the *Applicant*'s past transactions have been structured to allow *QALICB*s to acquire a portion of *QLICI*s through a put/call option at the end of the seven-year compliance period, please quantify the value of the investment acquired by the *QALICB*s at the end of the seven-year compliance period both as a dollar amount and as a percentage of total *QLICI*s.
(Maximum Response Length: 2,000 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 *QEI*s regardless of the number of individual *QEI*s made to that *Allocatee* under a single award. For example, if an *Applicant* has made 10 *QEI*s in *Allocatee* X under its second round allocation, then the *Applicant* would provide the aggregate amount of those 10 *QEI*s in its response to Question #45.

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 *QEI*s 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 outcomes or benefits that were generated as a result of the transactions:
(Maximum Response Length: 5,000 characters).

Exhibit A: Track Record of Activities

<u>Instructions for Exhibit A:</u> *Applicants* must complete the Tables A1-A4 in Exhibit A for any *QLICI*-like activities for which the *Applicant* has a track record. *Applicants* must complete Table A5 for any non-*QLICI*-like activities. 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* <u>must</u> designate a *Controlling Entity* in Question 3. If the *Applicant* chooses to complete one table with information from the *Controlling Entity*, it must also use the *Controlling Entity* for Table D1 and Table E2.**

<u>TIPs for Exhibit A, Tables 1-4:</u>

1) Where indicated in Tables A1 and A2, enter the dollar amount of debt financing provided by the *Applicant* (or *Controlling Entity)* in row 2a. In row 2b, enter the dollar amount of equity financing provided by the *Applicant* (or *Controlling Entity*). Enter all financing from other sources in row 3. Rows 2 and 4 will automatically calculate based on your entries in rows 2a, 2b and 3. The *Applicant* may discuss in Question #17 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 Entit*y in the narrative to Questions #17. The narrative should clearly distinguish between the track records of each entity.
3) The *Applicant* must distinguish between direct financing completed by the *Applicant* or its *Controlling Entity*, as indicated in Table(s) A-1 and A-2, row 2 and financing provided by third party sources, entered in Table(s) A-1 and A-2, row 3.
4) Tables A1-A4 should be mutually exclusive. *Applicants* should <u>not</u> enter the same data in more than one Table in Exhibit A.
5) Refer to the TIP before Question #13 and Glossary of Terms regarding how to classify *Real Estate QALICBs* vs. *Non-Real Estate QALICBs*. An *Applicant* that has received prior *NMTC Allocations* should report track record activities using the definitions provided in this Round's *Allocation Application*, not definitions from previous *Allocation Applications*.

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)		**2008**	**2009**	**2010**	**2011**	**2012**	**Totals (2008-2012)**	**Totals to *Disadvantaged Businesses and Communities* (2008- 2012)**	**Totals to *Non-metropolitan Counties* (2008-2012)**
1	Total # businesses financed								
2	Total $ amount of direct financing provided by the *Applicant to* non-real estate businesses	$	$	$	$	$	$	$	$
	(a) $ Amount of debt financing provided by *Applicant*	$	$	$	$	$	$	$	$
	(b) $ Amount of equity financing provided by *Applicant*	$	$	$	$	$	$	$	$
3	$ Amount of financing provided by other sources (including *QALICB* owner equity) to non-real estate businesses	$	$	$	$	$	$	$	$
4	Total $ amount of financing from all sources	$	$	$	$	$	$	$	$

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

	Calendar Year(s)	2008	2009	2010	2011	2012	Totals (2008-2012)	Totals to *Disadvantaged Businesses and Communities* (2008- 2012)	Totals to *Non-metropolitan Counties* (2008-2012)
1	Total # businesses financed								
2	Total $ amount of direct financing provided by the *Applicant*	$	$	$	$	$	$	$	$
	(a) $ Amount of debt financing provided by the *Applicant*	$	$	$	$	$	$	$	$
	(b) $ Amount of equity financing Provided by the *Applicant*	$	$	$	$	$	$	$	$
3	Total $ Amount provided by other sources (including *QALICB* owner equity)	$	$	$	$	$	$	$	$
4	Total $ amount financing from all sources	$	$	$	$	$	$	$	$

Table A3: Track Record of Loans/Investments to Other *CDEs*

Calendar Year(s)		2008	2009	2010	2011	2012	Totals (2008-2012)	Totals to *Disadvantaged Businesses and Communities* (2008- 2012)	Totals to *Non-Metropolitan Counties* (2008-2012)
1	Total # *CDE*s financed								
2	Total $ amount of financing	$	$	$	$	$	$	$	$
3	$ Amount of financing (debt)	$	$	$	$	$	$	$	$
4	$ Amount of financing (equity)	$	$	$	$	$	$	$	$

Table A4: Track Record of Loan Purchases from Other *CDEs*

Calendar Year(s)		2008	2009	2010	2011	2012	Totals (2008-2012)	Totals to *Disadvantaged Businesses and Communities* (2008- 2012)	Totals to *Non-Metropolitan Counties* (2008-2012)
1	Total # of loans purchased								
2	Total $ amount of loans purchased	$	$	$	$	$	$	$	$

TIPs for Exhibit A, Table 5:

1) For the purpose of completing Tables A5, 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 narrative to Question #18. The narrative should clearly distinguish between the track records of each entity.

2) The *Applicant* must distinguish between direct financing completed by the *Applicant* or its *Controlling Entity*, as indicated in Row 1 and financing provided by third party sources in Row 2. Data in Row 1 and Row 2 are mutually exclusive. *Applicants* should not enter the same data in more than one row.

Table A5: Track Record of Financing Activities that would not qualify as *QLICI* Activities

Calendar Year(s)		2008	2009	2010	2011	2012	Totals (2008-2012)	Totals to *Disadvantaged Businesses and Communities* (2008- 2012)	Totals to *Non-metropolitan Counties* (2008-2012)
1.	Total $ amount of direct financing provided by the *Applicant*	$	$	$	$	$	$	$	$
2	$ Amount of financing provided by other sources (including *QALICB* owner equity)	$	$	$	$	$	$	$	$
3	Total $ amount of financing from all sources	$	$	$	$	$	$	$	$

Exhibit B: Projected Activities

Instructions for Exhibit B: All *Applicant's* must complete the tables in Exhibit B based on the *QLICI* activities checked in Question #13.

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 the narrative to Question #19, 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 #19, 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 #13 and Glossary of Terms regarding how to classify *Real Estate QLICBs* vs. *Non-Real Estate QALICBs*.

TIP: Tables B1-B5 should be consistent with the information provided in Question #13.

Table B1: Projected Loans/Investments to *Non-Real Estate QALICBs* (Estimated)							
Calendar Year(s)		**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
1	Total # transactions to be financed						
2	Total $ amount of financing	$	$	$	$	$	$
3	$ Amount of financing (debt)	$	$	$	$	$	$
4	$ Amount of financing (equity)	$	$	$	$	$	$
5	Total # of reinvestment transactions						
6	Total $ amount of reinvested financing	$	$	$	$	$	$
7	$ Amount of reinvested financing (debt)	$	$	$	$	$	$
8	$ Amount of reinvested financing (equity)	$	$	$	$	$	$

Table B2: Projected Loans/Investments to *Real Estate QALICBs* (Estimated)							
Calendar Year(s)		**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
1	Total # transactions to be financed						
2	Total $ amount of financing	$	$	$	$	$	$
3	$ Amount of financing (debt)	$	$	$	$	$	$
4	$ Amount of financing (equity)	$	$	$	$	$	$
5	Total # of reinvestment transactions						
6	Total $ amount of reinvested financing	$	$	$	$	$	$
7	$ Amount of reinvested financing (debt)	$	$	$	$	$	$
8	$ Amount of reinvested financing (equity)	$	$	$	$	$	$

Table B3: Projected Loans/Investments in Other *CDEs* (Estimated)							
Calendar Year(s)		**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
1	Total # transactions to be financed						
2	Total $ amount of financing	$	$	$	$	$	$
3	$ Amount of financing (debt)	$	$	$	$	$	$
4	$ Amount of financing (equity)	$	$	$	$	$	$
5	Total # of reinvestment transactions						
6	Total $ amount of reinvested financing	$	$	$	$	$	$
7	$ Amount of reinvested financing (debt)	$	$	$	$	$	$
8	$ Amount of reinvested financing (equity)	$	$	$	$	$	$

Table B4: Projected Loan Purchases from Other *CDEs* (Estimated)							
Calendar Year(s)		**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
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)		**2014**	**2015**	**2016**	**2017**	**2018**	**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: Staff and Board Qualifications

Instructions for Tables C1 and C2: The *Applicant* should complete Table C1 and Table C2 in their entirety. Please note that Table C1 allows the *Applicant* to identify key personnel that have experience in multiple management areas. *Applicants* are to list no more than 15 individuals in Table C1. *Application* reviewers will be instructed to evaluate only the initial 15 individuals listed in Table C1 for scoring purposes. For each narrative response in Questions #29-31 and their corresponding sub sections, reference and discuss the combined management experience of all individuals listed in Table C1 as it relates to the *Applicant's* management capacity in that given area. An *Applicant* must also identify any consultant(s) contracted to write either portions or the entirety of their *Allocation Application*.

Table C1: Management Capacity

Name	Firm	Title at Firm	Type of activity with *Applicant* in each Capacity (Check all that apply)	Yrs. with (or years providing services to) the *Applicant*	Position with *Applicant* (Check all that apply)	Description of Individuals Qualifications
			__ NMTC Application Preparation/Review __ Capital-raising __ Capital deployment __ Sourcing or loan underwriting __ Asset management __ Loan servicing __ NMTC Program compliance __ Provision of services to *QALICB*s / residents (including *FCOS*) __ Community Outreach __ Legal services __ Other: _____		__ Governing board (GB) chair __ GB member on loan/investment committee __ Other GB member __ Advisory board member __ Executive Director or equivalent __ Chief Financial Officer or equivalent __ Dir. of Lending/investing or equivalent __ Other key management __ Loan/investment Officer or equivalent __ Compliance Officer __ Other finance staff __ Contracted consultant __ Other (specify):_____	Description of Individual's qualifications should include years of relevant experience and how this experience is similar to the individual's role in managing the *Applicant's* NMTC program. (Maximum Response Length: 2000 characters)

Table C2: *Low-Income Community* Accountability

Board Member Name	Firm	Title at Firm	Advisory or Governing Board Member?	Yrs. on Board	Indicate how the individual is Representative of *Low-Income Communities*?	Description of the Individual's Qualifications as an *LIC* representative, including related *LIC* community affiliations or experiences.
			__ Advisory __ Governing		__ Resident __ Small business owner __ Employee or board member of a non-*Affiliated* community-based or charitable organization __ Religious leader whose congregation is based in a *Low-Income Community* __ Employee of a governmental agency or department that principally serves *Low-Income Communities* __ An elected official (or works for one) whose constituency is comprised principally of residents of *Low-Income Communities* __ Other (specify):_____	Description should focus on the representative's years and depth of experience serving, working in, living in, or operating a business in *LICs*. (Maximum Response Length: 2000 characters)

Exhibit D: Asset Management and Income & Operating Expenses

Instructions for Table D1: For each of the past three fiscal years, indicate the total number and dollar amount of loans and equity investments outstanding to both non-real estate and real estate businesses. For each fiscal year end, report in rows 4 and 9 the percentage of loans and mandatory dividend payments, on a dollar basis, that were 90 days past due (e.g., the combined dollar amount of principal, mandatory dividend, and interest payments 90 days or more past due / the total dollar amount of loans and equity investments outstanding at fiscal year-end). In rows 5 and 10, enter the total dollar amount of capital from loans and equity investments written off during the fiscal year (e.g., total dollar value of loans and/or equity investments written off less capital recovered). If the *Applicant* (or *Controlling Entity*) has not made loans to either non-real estate or real estate businesses, check the corresponding "N/A" box. If the *Applicant* (or *Controlling Entity*) has no delinquencies at the end of a particular fiscal year, indicate "0" in lines 4 and 9, as appropriate. If the *Applicant* (or *Controlling Entity*) has had no write offs of loans and/or equity during a particular fiscal year, indicate "0" in lines 5 and 10, as appropriate. **If the *Applicant* chooses to complete one table with information from the *Controlling Entity*, it must do so for all Tables where *Controlling Entity* is an option.**

The information in Table D1 reflects the activities of (check one): ____*Applicant* _____*Controlling Entity*

Table D1: Investment Portfolio

	Fiscal Year(s)	FYE 2010	FYE 2011	FYE 2012
1.	**Non Real Estate Business** Loans & Equity Investments Delinquent or written-off		☐ N/A	
2.	# of loans & equity investments outstanding			
3.	Total $ Amount of loans & equity investments outstanding	$	$	$
4.	Delinquency rate associated with non-real estate businesses	____%	____%	____%
5.	Total $ amount of write-offs of loans & equity investments to non-real estate businesses	$	$	$
6.	**Real Estate Businesses** Loans & Equity Investments Delinquent or written-off		☐ N/A	
7.	# of loans & equity investments outstanding			
8.	Total $ amount of loans & equity investments outstanding	$	$	$
9.	Delinquency rate associated with real estate businesses	____%	____%	____%
10.	Total $ amount of write-offs of loans & equity investments to real estate businesses	$	$	$

Instructions for Table D2: All *Applicant's* must complete Table D2. *Applicants* should ensure that data entered into Table D2 takes into consideration the projected loans and investments listed in Exhibit B: Projected Activities. *Applicants* should assume that *NTMC Allocation* awards will be made in spring 2014. *Applicants* must provide an explanation of Table D2 in response to Question #34(e). The information in Table D2 must reflect the projected income and operating expense of the *Applicant*.

1. When entering income data by source, the *Applicant* must include any and all fees and other sources of compensation that the *Applicant* and/or its *Affiliates* will charge:
    a. **Investors** (including investment partnership funds, if using the leverage structure). Be sure to include *QEI* proceeds retained by the *Applicant*, *Controlling Entity* or its subsidiary *CDEs*;
    b. ***QALICBs*** (i.e. borrowers/investees) fees and other sources of compensation paid directly to the *CDE*, including interest income;
    c. ***Affiliates***, including the *Controlling Entity* or subsidiary *CDEs*; and
    d. **Other sources** of revenue, including grants, contributions, consulting, other line(s) of business, etc.

2. When entering expenses:
    a. **Fixed Expenses** are expenses incurred by *Applicant* that are unlikely to vary regardless of the amount of the *NMTC Allocation* award or size and number of *QLICIs* considered or made. For example, staff, facilities, Board/Insurance, *CDE* audit, etc.
    b. **Variable Expenses** are all other expenses incurred by the *Applicant*, including compliance, accounting, tax returns, sub-*CDE* audits, loan servicing, etc.

3. Data should be stated in dollars by fiscal year, starting with the fiscal year 2014.

Table D2: Income and Operating Expenses								
Fiscal Year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**After 2020**
1. Income by source:								
(a) Investor(s)								
(b) *QALICBs*								
(c) *Affiliates*								
(d) Other Sources								
Total Income	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2. **Expenses:**								
(a) Fixed								
(b) Variable								
Total Expenses	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Profit/(Loss)	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**

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 CDFI 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 any and all *Subsidiaries* of the *Controlling Entity*, including the *Applicant.* **If the *Applicant* chooses to complete one table with information from the *Controlling Entity*, it must do so for all Tables where *Controlling Entity* is an option.**

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[1]	Using Leverage Structure ?	*Unrelated* Entity?	Previous Investor?[2]	Total Funding Provided from 2008-2012 (if previous investor)	Dollar Amount Sought	Status of Request[3]	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	**TOTAL**	**N/A**	**N/A**	**N/A**	**N/A**	**$**	**$**	**N/A**	**N/A**

[1] Debt, equity, or grant.
[2] A previous investor is any investor that has invested in the *Applicant*, its *Controlling Entity*, or any *Subsidiary* entities since 2008.
[3] 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)	**2008**	**2009**	**2010**	**2011**	**2012**	**Total**
1	Total # of investments						
2	Total $ amount of investments	$	$	$	$	$	$
3	Total # of grants[1]						
4	Total $ amount of grants[2]	$	$	$	$	$	$
5	Total # of below market rate loans[1]						
6	Total $ amount of below market rate loans[2]	$	$	$	$	$	$
7	Total # of market rate loans[1]						
8	Total $ amount of market rate loans[2]	$	$	$	$	$	$
9	Total # of *Equity Investments*[1]						
10	Total $ amount of *Equity Investments*[2]	$	$	$	$	$	$

[1] Values should be a subset of Line 1.
[2] Values should be a subset of Line 2.

Glossary of Terms

Affiliate	Any legal entity that *Controls*, is *Controlled* by, or is under common *Control* with, the *Applicant*.
Allocatee	An *Applicant* that receives a *NMTC Allocation*.
Allocation Agreement	An agreement to be entered into by the CDFI Fund and a *CDE*, relating to the *NMTC Allocation*, pursuant to IRC §45D(f)(2).
Allocation Application	The application form, issued by the CDFI Fund pursuant to a *Notice of Allocation Availability (NOAA)*, to be completed and submitted by an *Applicant* in order to be considered for a *NMTC Allocation*.
Applicant	Any legal entity that is applying to the CDFI Fund for the receipt of a *NMTC Allocation*. This term includes any *Subsidiary* of the *Applicant*, which may receive a transfer of all or part of a *NMTC Allocation* from the *Applicant*.
Application Contact Person	The individual that the CDFI Fund may contact during the course of the *Allocation Application* review with questions or requests for additional information regarding the *Allocation Application*.
Assistance Agreement	A written agreement between the CDFI Fund and an entity receiving assistance under the *CDFI* Program and Native American *CDFI* Assistance (NACA) 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 *Applicant*. This person will also be the primary point of contact for the *Applicant*.
CDE Certification Application	The application form, issued by the CDFI Fund, to be completed and submitted by an entity in order to be certified as a *CDE*.
Commitment	A document in which an investor commits to make an investment in the *Applicant* in a specified amount and on specified terms.

Community Development Entity (CDE)	Under IRC §45D(c)(1), any domestic corporation or partnership if: (1) The primary mission of the entity is serving, or providing investment capital for, *Low-Income Communities* or *Low-Income Persons*; (2) The entity maintains accountability to residents of *Low-Income Communities* through their representation on any governing board of the entity or on any advisory board to the entity; and (3) The entity is certified by the CDFI Fund as a CDE. *Specialized Small Business Investment Companies (SSBICs)* and *Community Development Financial Institutions (CDFIs*) are deemed to be CDEs in the manner set forth in Guidance published by the CDFI Fund (66 Federal Register 65806, December 20, 2001).
Community Development Financial Institution (CDFI)	An entity that has been certified by the CDFI 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.
Community Investment Impact System (CIIS)	A web-based data collection system that CDFIs and CDEs will use to submit their Institution-Level Reports and Transaction-Level Reports to the CDFI Fund.
Control	For purposes of this application is defined as: (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; or (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 (3) Power to exercise, directly or indirectly, a controlling influence over the management policies or investment decisions of another entity, as determined by the CDFI Fund.

Controlling Entity	An entity that Controls an Applicant, and has a controlling influence over the day-to-day management and operations (including investment decisions) of the Applicant and of any Subsidiary entities to which the Applicant may transfer its allocation of tax credit authority. When describing past activities of the Controlling Entity, the activities of the Applicant may be considered as part of the track record of the Controlling Entity.
Controlling Entity Representative	An officer, or other individual, who has the actual authority to sign for and make representations on behalf of the *Controlling Entity*. This person will also be the primary point of contact for the *Controlling Entity*, should the CDFI Fund need to confirm representations made about the relationship between the *Applicant* and *Controlling Entity*.
Disadvantaged Business	A business that is (a) located in a *Low-Income Community*; or (b) is owned by a *Low-Income Person*; or (c) a business that has inadequate access to investment capital.
Disadvantaged Community	This term has the same meaning as a *Low-Income Community.*
Enforcement Action	A legally enforceable action or administrative order taken by a federal regulator (FDIC, OCC, NCUA) when a regulated financial institution is found to be in an unsatisfactory condition (e.g. violations of laws, rules or regulations, final orders or conditions imposed in writing; unsafe or unsound practices; and for breach of fiduciary duty by institution-affiliated parties).
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 *CDFI* 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 *NMTC Program Income Tax Regulations*, 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 (FCOS)	Advice provided by a *CDE* relating to the organization or operation of a trade or business. See 26 CFR 1.45D-1(d)(7).

Food Desert	A low-income census tract where a substantial number or share of residents has low access to a supermarket or large grocery store. Census tracts qualify as food deserts if they meet low-income and low-access thresholds established by the USDA and can be found using the Food Access Research Atlas at http://www.ers.usda.gov/data-products/food-access-research-atlas.aspx
FTE	A full time equivalent (FTE) is at least a 35-hour work week.
Letter of Interest/Intent	A document in which an investor expresses a preliminary interest in making an investment in the *Applicant*.
Low-Income Community (LIC)	Under IRC §45D(e)(1), any population census tract if: (1) The poverty rate for such tract is at least 20 percent, or (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. 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. Under IRC §45D(e)(2), *Targeted Populations* will also be treated as *Low-Income Communities*. See IRS Notice 2006-60. 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.

Low-Income Person	Any individual having an income, adjusted for family size, of not more than: (1) For metropolitan areas, 80 percent of the area median family income; and (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.
Minority-owned or Minority-controlled	Minority-owned for-profit entity: A for-profit entity that is not a MDI and that has at least 51 percent of its equity ownership interest being owned by individuals who identify themselves as Black American, Asian American, Hispanic American, or Native American. Minority-controlled not-for-profit entity: A not-for-profit entity with at least 51 percent of its Board of Directors comprised of individuals who identify themselves as Black American, Asian American, Hispanic American, or Native American. Minority Depository Institution (MDIs): An entity that is designated by the FDIC as a Minority Depository Institution.
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 contained within a Metropolitan Statistical Area, as such term is defined in OMB Bulletin No. 10-02 (Update of Statistical Area Definitions and Guidance on Their Uses) and applied to the 2010 census tracts.
Non-Real Estate *QALICB*	"Non-Real Estate Qualified Active Low-Income Community Business" or "Non-Real Estate QALICB" shall mean any Qualified Active Low-Income Community Business that does not satisfy the definition of *Real Estate QALICB*.
Notice of Allocation	Notification to the *Allocatee* from the CDFI Fund which informs the *Allocatee* of its receipt of a *NMTC Allocation* subject to the terms and conditions set forth in the notice (see applicable *NOAA*).

Notice of Allocation Availability (NOAA)	A document published by the CDFI Fund in the Federal Register that provides specific guidance on how a *CDE* may apply for a *NMTC Allocation*, the competitive procedure through which such allocations will be made, and the actions that will be taken by the CDFI Fund to ensure that proper allocations are made to appropriate entities. The *NOAA* published in conjunction with the combined 2013 & 2014 *Allocation Application* will only apply to the Round.
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 CDFI 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
Public Contact Person	The individual that will field public inquiries (i.e. from potential *QALICB*s) if the *Applicant* is selected to receive an *NMTC Allocation*. This contact information will be published as part of the Award Announcement for the *NMTC Allocation* round and available to the public in the CDFI Fund's monthly *QEI* Issuance Report.

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.
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 *QLICIs*; 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.

Qualified Low-Income Community Investments (QLICI)	Under IRC §45D(d)(1), a *QLICI* is: (1) Any capital or *Equity Investment* in, or loan to, any *QALICB* (as defined in IRC§45D(d)(2)); (2) The purchase from a *CDE* of any loan made by such entity that is a *QLICI*; (3) *Financial Counseling and Other Services* to businesses located in, and residents of, *Low-Income Communities*; and (4) Any *Equity Investment* in, or loan to, any *CDE*. Please refer to the *NMTC Program Income Tax Regulations* at 26 CFR 1.45D-1(d)(1) for more information.
Real Estate *QALICB*	"Real Estate Qualified Active Low-Income Community Business" or "Real Estate QALICB" shall mean any QALICB whose predominant business activity (i.e. activity that generates more than 50 percent of the business' gross income) includes the development (including construction of new facilities and rehabilitation/enhancement of existing facilities), management, or leasing of real estate.
Rural *CDE*	A Rural CDE is one that has a track record of at least three years of direct financing experience, has dedicated at least 50 percent of its direct financing dollars to *Non-Metropolitan Counties* over the past five years, and has committed that at least 50 percent of its NMTC financing dollars with this Allocation will be deployed in such areas. Non-Metropolitan counties are counties not contained within a Metropolitan Statistical Area, as such term is defined in OMB Bulletin No. 10–02 (Update of Statistical Area Definitions and Guidance on Their Uses) and applied using 2010 census tracts.
Small Business Investment Company (SBIC)	An entity defined in 15 USC 662(3).
Specialized Small Business Investment Company (SSBIC)	An entity defined in IRC §1044(c)(3).
Subsidiary	Any legal entity that is owned or *Controlled* directly or indirectly by an *Applicant*. This term includes series funds, which are separate investment funds *Controlled* by an *Applicant*.

Targeted Population	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 *Low-Income Persons*; or (B) otherwise lack adequate access to loans or investments.
Unrelated	Persons who are not related within the meaning of IRC §267(b) or IRC §707(b)(1).