



Clearinghouse Community Development Financial Institution

U.S. Department of Treasury Allocates \$60 Million in New Market Tax Credits to Clearinghouse CDFI for Low-Income Community Investments

Lake Forest, CA December 20, 2022—Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) announced today that it has been awarded a \$60 million New Markets Tax Credit (NMTC) allocation from the United States Department of Treasury. Clearinghouse CDFI will use the tax credits to finance low-income community investments in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming.

“Twenty years ago, the Treasury Department announced the first New Markets Tax Credit awards, and for many economic development projects across the country since then, the New Markets Tax Credit has been a vitally important piece of the puzzle,” said Treasurer of the United States Chief Lynn Malerba. “This program has created or retained hundreds of thousands of jobs and spurred economic growth in many low-income communities across our country. It is important that Congress sustain these investments over time by making the New Markets Tax Credit Program permanent.”

Clearinghouse CDFI was one of 107 organizations across the United States to receive more than \$5 billion in NMTC allocation awards throughout the United States, made through the calendar year 2021 round of the NMTC Program.

The NMTC program stimulates community development in economically distressed communities through tax credits that attract private investment capital. This federal tax credit incentive helps to invigorate struggling local economies by allowing investors to make larger investments than would otherwise be possible. Communities benefit from the job creation associated with these investments, and greater access to public facilities, goods, and services. This includes manufacturing, food, retail, housing, health, technology, energy, education, and childcare.

“We are tremendously grateful to the United States Department of Treasury and the CDFI Fund for this allocation, our collaborative relationship, and track record of bringing positive change to communities throughout the United States. We are proud that this award will be directed towards communities that need it the most,” said Douglas J. Bystry, President and CEO of Clearinghouse CDFI. “Of the NMTC allocation, 30 percent will be devoted to qualified low-income community investments in Federal Indian Reservations, Off-Reservation Trust Lands, Hawaiian Homelands and Alaska Native Village Statistical Areas, while 75 percent will be targeted at States identified by the CDFI Fund as having received fewer dollars historically—California, Nevada, and Arizona.”

Through the NMTC Program, the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs). CDEs, such as Clearinghouse CDFI, are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to projects operating in distressed areas that have better rates and terms and more flexibility than available in the conventional marketplace.

Since inception, Clearinghouse CDFI has deployed \$603 million in NMTC funding for 80 projects throughout the western United States. Clearinghouse CDFI has funded \$2.2 billion in total loans for over 2,577



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community projects over the past 25 years. These projects have created/retained 38,870 jobs and benefit 3.4 million individuals.

About the NMTC Program

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in financial intermediaries known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities. CDEs must apply annually to the CDFI Fund to compete for New Markets Tax Credit Program allocation authority. Since the inception of the NMTC Program, the CDFI Fund has completed 18 allocation rounds and has made 1,461 awards totaling \$71 billion in tax allocation authority. This includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority used for the recovery and redevelopment of the Gulf Opportunity Zone. To learn more about the New Markets Tax Credit Program, please visit www.cdfifund.gov/nmtc.

About the CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded more than \$5.5 billion to CDFIs, community development organizations, and financial institutions through the Bank Enterprise Award Program; the Capital Magnet Fund; the CDFI Rapid Response Program; the Community Development Financial Institutions Program, including the Healthy Food Financing Initiative; the Economic Mobility Corps; the Financial Education and Counseling Pilot Program; the Native American CDFI Assistance Program; and the Small Dollar Loan Program. In addition, the CDFI Fund has allocated more than \$71 billion in tax credit allocation authority to Community Development Entities through the New Markets Tax Credit Program, and guaranteed bonds for over \$2.1 billion through the CDFI Bond Guarantee Program. To learn more about the CDFI Fund, please visit the CDFI Fund website at www.cdfifund.gov.

About Clearinghouse Community Development Financial Institution (Clearinghouse CDFI):

Clearinghouse CDFI addresses unmet credit needs throughout the U.S. and in Indian Country through direct lending, equity investments, and financial assistance. For 25 years, Clearinghouse CDFI has helped bridge the gap between conventional lending standards and the needs of low-income, distressed, and communities of color. Clearinghouse CDFI is also a B Corp—a certification received from the nonprofit B Lab. B Corps are companies who meet rigorous standards of social and environmental performance, transparency, and accountability, and use business as a force for good. More at www.ccdfi.com.

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